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The Department of Financial and Commercial Affairs



Report covering
November 24, 1966
December 31, 1967

Ont. Financial and commercial
affairs dept
Report

The
Department of
Financial and Commercial Affairs

Province of Ontario

Divisions: Consumer Protection
Superintendent of Insurance
Ontario Securities Commission



DEPARTMENT OF FINANCIAL AND COMMERCIAL AFFAIRS

OFFICE OF THE MINISTER

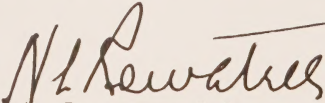
123 Edward Street
Toronto 2

To His Honour the Lieutenant Governor in Council

May It Please Your Honour:

The undersigned has the honour to present to Your Honour the first Annual Report of the Department of Financial and Commercial Affairs. Instead of the normal March 31st closure, this first report has been taken to December 31, 1967, in order to provide a clearer indication of the achievements that would not have been adequately represented if the period from November 24, 1966 to March 31, 1967 had been presented.

All of which is respectfully submitted.


H. L. Rowntree, Q.C.
Minister



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History and Activities

This report, of which this summary forms a part, deals with the operations of the Department of Financial and Commercial Affairs for the period November 24, 1966 to December 31, 1967. This does not follow the normal practice of reporting for the fiscal year, as a report for the period ending March 31, 1967 would not provide a sufficient period to give the Legislative Assembly of Ontario a proper outline of the departmental activities.

The purpose of this summary is to provide in a short form the establishment and organization of the department, together with highlights of the period under review. The balance of the report will provide details of the divisions, operations and statistics which are considered to be of interest.

The department was established on November 24, 1966, by proclamation of the Lieutenant Governor in Council of *The Department of Financial and Commercial Affairs Act 1966*. The following Acts were then assigned to the Minister of Financial and Commercial Affairs:

The Bailiffs Act

The Collection Agencies Act

The Credit Unions Act

The Deposits Regulation Act, 1962-63

The Insurance Act
The Investments Contracts Acts
The Loan and Trust Corporations Act
The Marine Insurance Act
The Mortgage Brokers Registration Act
The Prepaid Hospital and Medical Services Act
The Real Estate and Business Brokers Act
The Securities Act, 1966
The Used Car Dealers Act, 1964.

The above Acts were formerly assigned to the Attorney-General and Minister of Justice.

In addition, two new Acts passed by the Legislative Assembly of Ontario in 1966, but not proclaimed, became the responsibility of the Minister. These were *The Consumer Protection Bureau Act, 1966*, and the *Consumer Protection Act, 1966*.

The Department was formed into three basic operating divisions:

1. The Consumer Protection
2. The Superintendent of Insurance and Registrar of Loan and Trust Corporations
3. The Ontario Securities Commission

There is also a Main Office Division under a Director of Administration, encompassing the administrative functions of the department, including accounting, personnel, office services and supply. During the period under review a Legal Section and a Public Information Section were set up under the direct control of the Deputy Minister's Office.

Early in 1967 an amendment to the *Financial and Commercial Affairs Act, 1966*, was passed by the Legislature providing for a "Financial and Commercial Affairs Advisory Committee" to meet at the call of the Minister and, when requested, consult with the Minister and advise him on financial, commercial and related matters. This research and advisory activity utilizes professional legal, accounting, and financial analyst skills for information relating to corporate structure and practice. The analysis and submission of such information in an advisory capacity is of great assistance in the development of the Department's operational programs.

The seven members of this committee were appointed by Order-in-Council dated May 11, 1967. The Committee has met on numerous occasions during the year and deep appreciation is expressed to the members for the time they have spent, without remuneration, in consulting with the Minister.

In order to provide a broad advisory service to the entire department, the complement for a Financial and Accounting Adviser and a Financial Research Assistant, formerly allocated to the Ontario Securities Commission but not filled, were transferred to the Main Office Group report-

ing directly to the Minister and Deputy Minister. A central library was formed from the libraries of the previous branches and a librarian employed who will make the volume of information and research material readily available to all divisions of the department.

Other special projects undertaken in 1967 included:

1. A feasibility study regarding the setting up of a Canadian Securities Exchange Commission;
2. A study of the financing practices of mining companies;
3. Actuarial studies in the matter of automobile insurance;
4. A public education material study in relation to the Department's programs;
5. A series of special study projects and seminars aligned to matters of mutual interest between the Department, the general public and the financial and commercial communities in Ontario.

Consumer Protection Division

The Consumer Protection Division under a new Director for Consumer Protection comprises the newly created:

1. Consumers Protection Bureau under the supervision of a Registrar and
2. The original Registration and Examination Branches under the Director of Registration and Examinations, viz: The Registrars for *The Real Estate and Business Brokers Act*, *The Used Car Dealers Act*, *The Bailiffs Act*, *The Collection Agencies Act*, *The Mortgage Brokers Registration Act*, and *The Credit Unions Act* under the supervisor of Credit Unions.

The *Consumers Protection Bureau Act* together with certain sections of the *Consumer Protection Act* were proclaimed April 3, 1967. Following preparation of extensive regulations and to give industry and commerce an opportunity of meeting the requirements of the Act and these regulations, the *Consumer Protection Act, 1966*, was proclaimed in full by the Lieutenant-Governor in Council on July 31, 1967.

In formulating procedures and developing regulations, the Director was mindful of meeting the needs of industry and commerce to conduct their business effectively and profitably without unnecessary bureaucratic interference. In this regard, many difficulties were experienced if the consumer interest protection was not to be diluted.

Accordingly, the policy followed was to sustain the intention of the legislation while meeting valid criticisms and objections of industry and commerce where unimaginative implementation of the Act would have been harmful to all parties. Thus, a number of recommendations are made to clarify, strengthen and impart practicality to the Act where experience now shows that such amendments should be considered by the Legislative Assembly.

The Superintendent of Insurance and Registrar of Loan and Trust Companies Division

The Superintendent of Insurance administers the following Acts:

The Insurance Act

The Loan and Trust Corporations Act

The Investment Contracts Act

The Marine Insurance Act

The Prepaid Hospital and Medical Services Act

The Public Finance Companies Act

The Ontario Deposit Insurance Corporation Act

One highlight during the period was undoubtedly the agreement within the insurance industry whereby the Assigned Risk Plan was abolished in Ontario on September 15, 1967. The new facility corrects many of the inherent faults of the former Assigned Risk Plan, particularly where it related to mid-term cancellations.

Another achievement was the enactment of the *Ontario Deposits Insurance Corporation Act* proclaimed on February 9, 1967, ensuring investors of a greater degree of security for their deposits with loan and trust companies in Canada. This Act was subsequently amended April 27, 1967 to permit the Ontario incorporated loan and trust companies to be accepted into the Canada Deposit Insurance Corporation. Effective April 29, 1967, all Ontario loan and trust companies were insured under the Canada Deposit Insurance Corporation.

The Security Commission Division

Following upon the report of the Attorney General's Committee on Securities Legislation in Ontario in 1965, *The Securities Act, 1966*, was enacted and it, together with the regulations thereunder, was proclaimed by the Lieutenant Governor in Council on May 1, 1967.

In March 1967 a new permanent chairman for the Securities Commission was appointed. A new deputy chairman also took office in the newly created position of permanent deputy chairman. This appointment was indicative of the increasing executive responsibilities falling upon the Securities Commission.

The general administration of *The Securities Act* is supervised by the Director of the Securities Commission and he is occupied fully in investigating offences and complaints. A deputy director of the Division supervises the examination and registration of all persons concerned in the trading of securities who must be licensed to do so.

Two further deputy directors have recently been created to assist the Director in the responsibilities inherent in the ever increasing work that the enactment of *The Securities Act, 1966*, has shown to be necessary for the effective operation of the Securities Commission.

Meantime, the Securities Commission Chairman has promoted a pro-

posals for a national Canadian Securities Commission (CANSEC) that is being widely studied. The deputy chairman is also actively engaged in studying mutual funds for the presentation of a national report on these operations for federal and all provincial authorities.

Summary

It is considered that the breakdown into the three main divisions reported above presents an orderly and strong approach to the implementation of the various matters of public interest that the Legislature of Ontario has seen fit to place in the Department of Financial and Commercial Affairs. The experience and achievements of these formative months have been many and useful and the lessons learned will produce a greater concern for the protection of the public interest for which the department was created in 1966.

Consumer Protection Division

The Consumer Protection Division, one of the three major divisions within this new Department, brings together the administration of ten pieces of legislation which relate to financial and commercial transactions in which the consumer may become involved.

Consumer protection is a subject matter upon which ever-increasing emphasis is being placed by legislators across Canada and in the United States. Within the complexities of every-day transactions, the consumer requires protection to ensure that he is placed in a bargaining position equal to that of the seller. The great majority of sellers perform in an ethical manner, but there are those who do not, and significant indeed are the problems which arise in which the consumer does not receive fair treatment. Examples are found in the purchase of goods and services, in real estate transactions, in the purchase of used cars, etc.

The consumer must realize that the mere existence of this legislation does not relieve him of his own responsibility to ascertain and satisfy himself upon the details of any transaction in which he may wish to become involved. Neglect of this responsibility can lead only to solutions costly to the consumer.

The Consumer Protection Division carries out the administration of its legislation to ensure protection to the consumer. At the same time, a

watchful eye is kept upon the functioning of the legislation with a view toward amendments and, therefore, improvement. Consumer protection is a very large field of endeavour. Much is being done now and much more will continue to be done in the education and protection of the consumer. The Government of Ontario has taken the lead in this approach.

Consumer Protection Bureau

The widespread expansion in credit buying privileges has resulted in greatly enhanced living standards generally, but, at the same time, the unprecedented growth of credit has also opened deeper channels for the increased exploitation of consumers in certain fields.

This disturbing trend was recognized in April 1963 when a select committee was appointed by the Ontario Legislature to study all aspects of consumer credit. Some of the recommendations made in the final report of that committee, published June 1965, were:

- Education of the public in consumer credit;
- Formation of a bureau to deal with all kinds of consumer complaints;
- The bureau should not be restricted to credit transactions;
- Registration of itinerant sellers;
- “Cooling-off” period for rescission of contracts;
- Control of misleading advertising;
- Rate disclosure of the cost of credit;
- Rebates for prepayment if contract is paid before maturity.

The direct result of the Committee’s findings was the enactment of consumer credit legislation known as *The Consumer Protection Act, 1966*, which came into force on July 31, 1967, as well as *The Consumer Protection Bureau Act*, which established a bureau to administer the new laws. Specifically, the Bureau’s duties were defined to:

- Educate the public in consumer credit and protection;
- Promote and assist counselling services;
- Receive and investigate complaints of conduct in contravention of legislation for the protection of consumers;
- Enforce legislation for the protection of consumers;
- Perform any other duties given to it by any Act.

Initial reaction of the public, as well as industry, was favourable, even though the new laws presented some problems for industry in the revision of their forms, practices, and procedures. It was recognized that this legislation was both beneficial and essential in credit transactions for a clear understanding between buyer and seller or borrower and lender.

Service to consumers

Since inception, complaints received by the Bureau have steadily increased numerically, which may be directly attributed to wider public knowledge of the services available.

Many consumer problems can be mediated effectively by telephone, using "moral" suasion, but, in the more complex cases, full details are requested in writing before any investigation is started. Prompt action taken by the Bureau usually proves successful, notwithstanding that many complaints do not directly fall within the scope of the specific credit legislation being administered. However, the diversity of complaints has focussed attention on those areas of business where additional control measures may be essential in the best public interest.

Two examples of complaints resolved will illustrate the Bureau's service to consumers:

A housewife signed a contract which involved a credit finance charge for the purchase of an appliance through a door-to-door salesman. A down payment was given and the appliance left at the home. The next day cancellation of the contract was requested by registered letter, but the selling company refused to cancel and return the deposit. As the consumer had acted within the "cooling-off" period prescribed under the Act, the contract was cancelled, deposit refunded, and the appliance returned at the seller's expense.

A family complained that the overall cost of a food plan appeared unreasonable in relation to the quantity of food supplied. It was determined there were various undisclosed charges in the transaction and the seller was prevailed upon to readjust the contract to an acceptable amount.

Education and publicity

The education of consumers as to their buying habits and the potential pitfalls is necessary so that they can cope with advanced selling techniques and rapid changes in business practices today. An initial pamphlet on "Consumer Credit" has been in large demand by both consumers and industry. Addresses, T.V. and radio appearances, as well as press releases, have been undertaken by the bureau staff to acquaint the public with the new laws and the protection now available to them.

Nearly one million pamphlets had been distributed by December 31, 1967, covering used cars, consumer credit, securities legislation, real estate, etc.

A positive and essential role has been played by the Bureau since its inception in assisting industry with the implementation of the new legislation. The assistance given, coupled with the leniency extended for the initial few months in the strict enforcement of the Act and regula-

tions, has met with favour. While some misunderstanding of the new laws still exists, problem areas are being eliminated.

Future outlook

The Bureau is directing its activities to the positive need for consumer education and, simultaneously, endeavouring to eliminate existing abuses in certain business practices. In a dynamic economy, which is changing so rapidly, there will inevitably appear new areas of chicanery and deceit, even though the overwhelming percentage of business is conducted with integrity. While the abuses may fractionally be small, nevertheless they require remedial control measures. The Consumer Protection Bureau has been established to provide effective assistance to consumers as may be essential to their well-being in society.

Complaint service record for initial six months operation

Industry	Service inquiries	Number of complaints	Complaints as percentage of total
Automotive	759	188	16
Magazines and books	569	142	12
Finance and lending agencies	605	140	12
Appliances and furniture excluding T.V.'s and freezers	491	109	9
Security deposits on apartment rentals	460	95	7
Home improvements and repairs	390	89	7
Freezer and food plans	361	71	6
Rugs and floor coverings	143	41	4
Cleaners	131	38	3
T.V. sales and service	101	33	3
Dance studios	138	32	3
Clothing stores	81	30	3
Advertising	100	22	2
Moving and storage	83	21	2
Education courses	75	18	2
Miscellaneous	552	103	9
	5,039	1,172	100%

REGISTRATION AND EXAMINATION BRANCH

The Director exercises general supervision of all functions of the Registration and Examination Branch with regard to the application of the following Acts:

The Bailiffs Act

The Collection Agencies Act

The Credit Unions Act

The Mortgage Brokers Registration Act

The Real Estate and Business Brokers Act

The Used Car Dealers Act

The Director co-ordinates and directs the functions of registrars who, under the above Acts, decide initially whether applications for registration are to be granted and, once granted, whether or not they are to be suspended or cancelled for cause. Decisions of the Registrars being disputed are subject to a statutory review and hearing before the Director whose decision, in turn, can be appealed to a justice of appeal of the Court of Appeal.

The aim and object of each of the above-named statutes is public protection.

Each statute requires registration of persons wishing to enter its particular field of enterprise. To be registered, each applicant must meet and pass the standards of character, financial responsibility and competence established from time to time as being in the public interest.

To remain registered, each person must meet and maintain generally accepted codes of ethical business conduct.

In any dispute arising between a registrant and a member of the public, the Registrars and the Director may find themselves representing the interests of both parties to a contract and, in so doing, they attempt to hold the scales as close to an even balance as possible. However, as registrants, especially corporate registrants, through their trained officials and counsel have to be generally regarded as being in a better position to protect their interests than would be an individual citizen, it follows that the primary concern is with the protection of the public.

Bailiffs, Collection Agencies, Mortgage Brokers Section

THE BAILIFFS ACT 1960 - 1961

The Bailiffs Act came into force on January 1, 1962, and is designed to regulate the actions of private bailiffs as distinct from official court bailiffs.

Private bailiffs are agents for landlords and creditors and do not act under a court order in effecting evictions and repossessions, or seizure of chattels. This is not generally known to the public.

The administration of the Act was transferred from the Inspector of Legal Offices to the Registration and Examination Branch within the Attorney General's Department, in June 1964, when there were 185 bailiffs holding life-time appointments. Careful screening of new applicants and the introduction of an inspection procedure of the books and activities of bailiffs has resulted in a 20 per cent reduction in the number of bailiffs as of December 31, 1967.

The Act was transferred to the Department of Financial and Commercial Affairs when it was formed in November 1966, where the activities of private bailiffs continue to receive increasing attention. A complete review of the Act is contemplated.

Bailiff appointments

(At December 31, 1967)

Appointments in force at November 1, 1966	160
<i>Add:</i> New appointments made November 1, 1966 to December 31, 1967	9
	<hr/> 169
<i>Deduct:</i> Deceased	3
Revoked for various reasons	23
	<hr/> 26
Appointments in force at December 31, 1967	143

THE COLLECTION AGENCIES ACT

The Collection Agencies Act came into force on October 1, 1933, and out of an estimated 500 agencies operating in the province at that time, only 250 qualified for a license. The remainder were apparently unable to provide the required bond of \$500. The bond has since been increased to a maximum of \$10,000. As of December 31, 1967, there were 124 licensed agencies in this province.

The Act was first administered by The Ontario Securities Commission. In 1950 it was transferred to the Department of Insurance. In 1963 it was placed directly under the Attorney-General, with the formation of the Registration and Examination Branch, and finally, in November 1966, it went to the new Department of Financial and Commercial Affairs.

The Act has not undergone any significant revisions since 1953, and a review of the entire Act, with the view of recommending changes to keep pace with the rapidly changing consumer credit situation is being undertaken.

Collection agency licences

(At December 31, 1967)

	Agencies	Branches	Collectors	Total
Renewed as of April 1, 1967	119	51	642	812
Add: New licenses issued April 1, 1967 to December 31, 1967	<u>8</u>	<u>9</u>	<u>281</u>	<u>298</u>
	127	60	923	1,110
Deduct: Licenses surrendered				
voluntarily			203	206
by request	3			
Total licenses at December 31, 1967	124	60	720	904

Revenue

9 application fees	@ \$15	\$ 135
12 collection agency licenses	@ \$10	120
114 collection agency licenses	@ \$25	2,850
1 collection agency license	@ \$12	12
60 branch licenses	@ \$10	600
923 collectors licenses	@ \$ 5	4,615
		\$8,332

THE MORTGAGE BROKERS REGISTRATION ACT

The Mortgage Brokers Registration Act came into force on July 1, 1960, and was brought about by the failure on the part of certain lenders and brokers to disclose the true effective annual interest rate resulting from hidden bonus payments and other charges.

Fourteen-hundred applicants qualified for registration, including 700 licensed real estate brokers who in 1962 were relieved of dual registration by an amendment to the Act.

At the initial registration in 1960, six prominent brokers operating under some 25 different corporate entities were denied registration by the Registrar. Four of them appealed to the Superintendent of Insurance (who was responsible for the administration of the Act at that time), who confirmed the Registrar's denial of a license. The appeals were carried no further. In the intervening years several brokers have had their registrations terminated for practices deemed not in the public interest. The overall benefits resulting from the passing of this Act and its administration are self-evident, particularly in two areas, namely, misleading advertising and bonus mortgages, both of which are relatively rare today.

It should be noted that the administration of this Act was transferred from the Department of Insurance to the Registration and Examination Branch of the Department of the Attorney General in 1963 and to the Department of Financial and Commercial Affairs on its formation in November of 1966.

Mortgage broker registrations

(At December 31, 1967)

Total registrations at renewal date, June 30, 1967	647
Add: New registrations from July 1, 1967 to December 31, 1967	61
Deduct: Registrations surrendered, July 1, 1967 to December 31, 1967	4
Total registrations at December 31, 1967	704

Revenue

307 registrations (individuals) at \$10	\$ 3,070
409 registrations (partnerships and corporations) at \$25	10,225
61 application fees at \$10 (<i>initial registration only</i>)	610
	\$13,905

Inspections made

(January 1, 1967 to December 31, 1967)

	Routine	Special	Total
Bailiffs	55	11	66
Collection agencies	120	36	156
Mortgage brokers		37	37
	175	84	259

Note: The special examination column includes investigations for complaints and follow-ups, regarding various violations discovered during routine examinations.

Complaints investigation summary

(January 1, 1967 to December 31, 1967)

	Justified	Unjustified	Total
Bailiffs	25	7	32
Collection agencies	68	39	107
Mortgage brokers	5	8	13
	98	54	152

Other complaints received by telephone and
resolved mostly by telephone

575
727

Real Estate and Business Brokers Section

First enacted in 1930 as *The Real Estate Brokers Registration Act*, this legislation originally came under the Ontario Securities Commission. Re-enacted as *The Real Estate Brokers Act* in 1935, it was amended in 1946, when trades in businesses were placed under the Act. It was then given its present title, and transferred to the Department of Insurance.

Further amendments in 1963 placed responsibility under the Act for approval of foreign land subdivisions being offered for sale in Ontario. This has become a major function.

On May 8, 1964, the administration was transferred to the Department of the Attorney-General, following an amendment which replaced the Superintendent of Insurance by a Director of Registration and Examination Branch. In 1966 the administration was transferred to the Department of Financial and Commercial Affairs.

In the 13 months since November 1966, when *The Real Estate and Business Brokers Act* was placed under the Department of Financial and Commercial Affairs, 2,908 dealers and 15,145 salesmen were registered — a total of 18,053.

During the same period, 242 brokers and 4,411 salesmen were suspended for failing to live up to the financial, ethical, and other requirements of the Act, which provides for registration, licensing, examination, audit-inspection, and supervision under the administration of a Registrar.

The following are the registration figures over the past two decades:

Year	Number of registrants
1947	2,757
1957	7,874
1967	12,542

The magnitude of the real estate business is perhaps best exemplified in figures of residential sales in Metropolitan Toronto. A short decade ago, the dollar volume was \$570,060,510. (May 1955 — May 1956). The most recent figure available (May 1965 to May 1966) is \$1,138,056,294, or an increase of almost 100 per cent. From this, it can be seen that the function of this regulatory agency is not insignificant.

As the volume of real estate sales increases and the general public becomes more and more aware of the facilities provided by this department, complaints about questionable real estate practices also increase.

Indeed, so great has been the number of complaints that it necessitated the appointment of a Complaints Officer in January 1967. While no numerical records of complaints were kept five years ago, it is estimated some 400 were received during the 1962-63 fiscal year. In 1965-1966, when partial records were kept, this number had increased to 1,175, and in 1966-67 actual records showed 1,734 complaints.

Complaint matter

The following is a summary of the estimated number of complaints:

Year	Complaints
1962-63	400
1963-64	550
1964-65	625
1965-66	1,175
1966-67	1,734 (actual records)

Of significance is the sharp increase in the period of 1965-66, which could be attributed to the favourable publicity that was given by the press, and the co-operation of the Law Society, which was kind enough to inform all its members of the existence of the Department.

Statistical review

(November 24, 1966 to December 31, 1967)

1. Revenue

Registration fees

Brokers	2,657 @ \$25	\$66,425	
	251 @ \$15	3,765	
	2,908		\$ 70,190
Salesmen (new)	3,166 @ \$10	\$31,660	
	55 @ \$ 5	275	\$31,935
Salesmen (transfers)	2,347 @ \$ 3	\$ 7,041	
Reinstatements	9,542 @ \$ 5	47,710	
Re-Issue (no fee)	35	54,751	
	15,145		86,686

Examination fees

Brokers	559 @ \$10	\$ 5,590	
Salesmen	5,494 @ \$10	54,940	
	13 @ \$ 5	65	
	6,066		60,595

Branch office fees 539 @ \$10 5,390

Foreign subdivision fees (see breakdown below) 3,700

Total revenue \$226,561

2. Registrations issued

Brokers	2,908 less 282 suspensions	2,626
Salesmen	15,145 less 5,229 suspensions	9,916
	18,053	12,542

3. Complaints

Received **1,734** Resolved **1,682** Pending **52**

Note: In addition to these "official" complaints, there are unrecorded complaints received by telephone daily and serviced on an immediate basis which are not included. An "official" complaint has to be received in writing.

4. Inspections made 2,055

5. Foreign subdivision statistics

Registration fees

Filings received	15 @ \$200	\$3,000
Renewals received	7 @ \$100	700

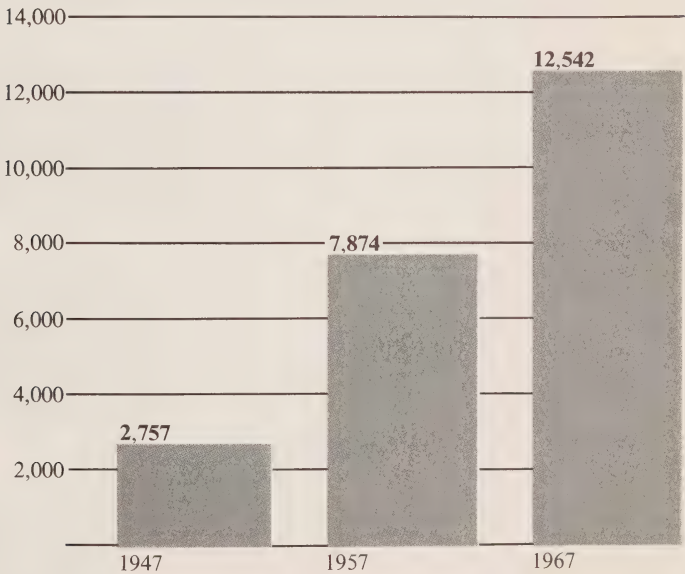
\$3,700

Number of on-site inspections made 24

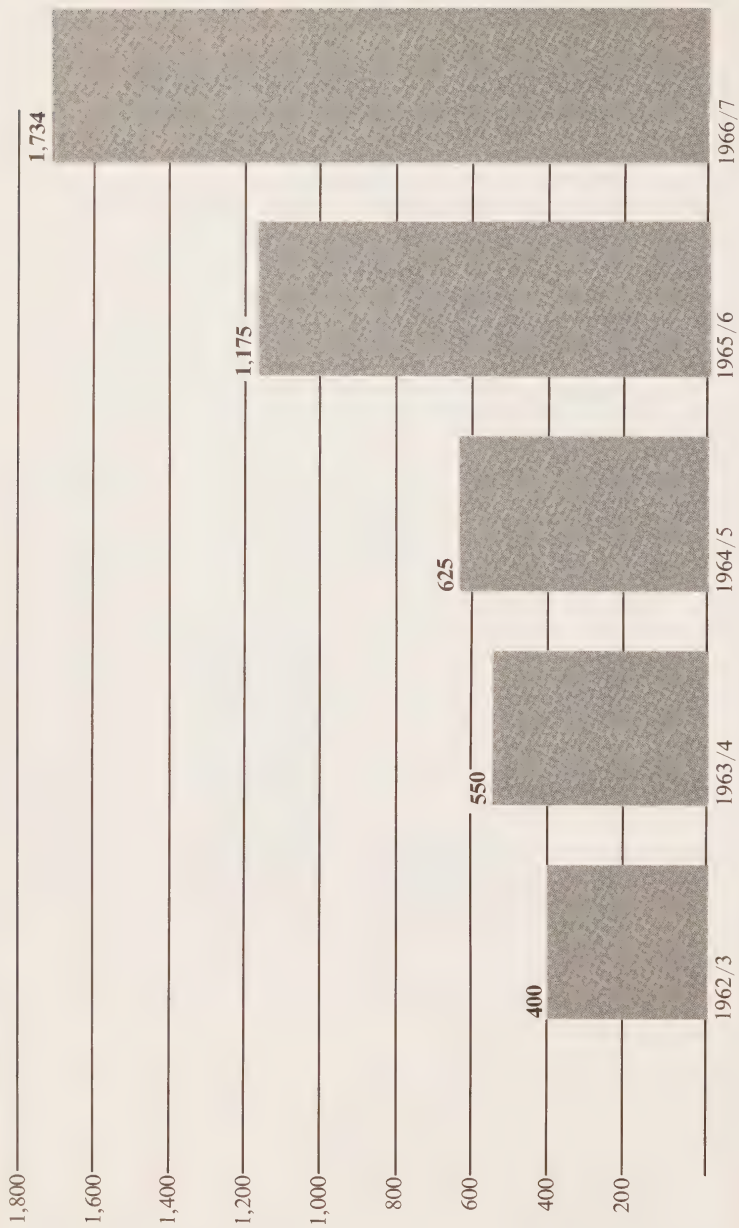
Filings under investigation 18

Number of subdivisions currently holding certificates 20

**Number of
registrants**



Complaints handled



Used Car Dealers Section

The Used Car Dealers Act came into force January 15, 1965. Its purpose is to control and supervise all used car dealers and salesmen in the province by requiring each one to be registered to buy and sell used cars.

The Act followed the recommendations of a May 1964 report by a select committee of the Ontario Legislature appointed in April 1963 to inquire into matters relating to the cost of credit. The registrar was appointed November 1, 1964.

Prime concern of the Used Car Dealers Section of the Registration and Examination Branch of the Consumer Protection Division is to ensure that all dealers and salesmen are registered and are properly qualified.

Its activities include thorough investigation into the background of all applicants. This is aided by liaison procedures set up with various government departments — Department of Transport for licence information, Provincial Secretary for incorporation matters, Ontario Provincial Police for possible police records.

The section also works closely with the Retail Sales Tax Branch of the Treasury Department and co-operates with such public interest oriented organizations as the Better Business Bureau and 'Action Line' of The Telegram.

The work load since the section was formed in November 1964 has necessitated an increase of staff from 21 to 27, of which two are concerned with administration, 14 with complaints and inspections, and the remaining 11 are engaged in registration, revision and filing data on approximately 18,000 dealers and salesmen.

Under the administration of the registrar, an inspection branch comprised of four inspectors headed by a chief inspector and one complaint officer is based in Toronto. In addition, six regional inspectors are located in Hamilton, London, Ottawa, Peterborough, Sault Ste. Marie and Windsor.

In the first 13 months of operation, under the Department of Financial and Commercial Affairs, 1,217 complaints were received, the greater number (808) coming from Toronto. In the seven centres, including Windsor where the branch was recently established, 1,571 inspections were carried out.

The first concern in the formative year was to achieve the registration of all persons in the industry. Individual files were established on all registrants. Reports were also kept of all inspections and investigations of dealers whether registered or not. As a result, a tremendous amount of information has been gathered.

Where it is considered necessary to deny registration, suspend or cancel registrations already issued, because of misconduct or the num-

ber of complaints, hearings are held by the Used Car Dealers Registrar. During 1965 there were 38 hearings held, with 34 being placed on probation, two denied, one suspended and one adjourned. In 1966 there were 71 hearings, with 39 placed on probation, 10 denied, eight suspended, two cancelled, six reprimanded and six cautioned. During 1967 the number of hearings was 111, with 49 placed on probation, 13 denied, ten suspended, three cancelled, 15 reprimanded, three of these severely, nine cautioned, no action taken in four cases and eight decisions reversed.

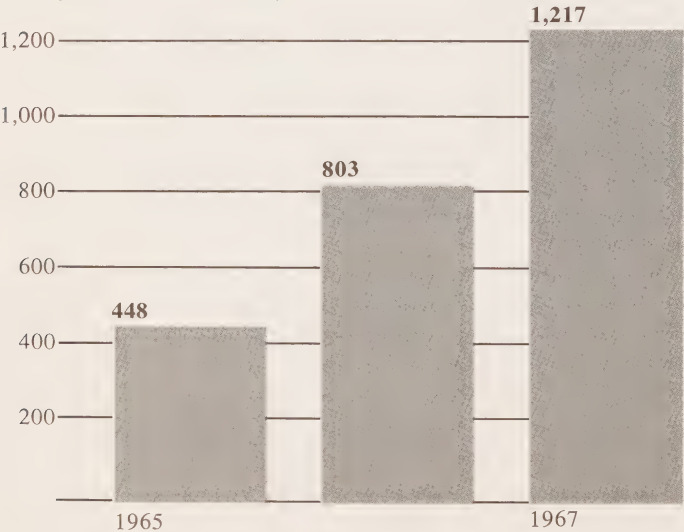
Summary

The foregoing statistics show the increase in the number of hearings necessary by reason of misconduct and the file records obtained as a result of complaints against dealers and salesmen.

In 1955 the total number of all vehicles registered in the Province of Ontario was 1,620,053. In 1966 the figures revealed that 2,643,474 vehicles were registered. Used cars sold only through dealers in 1955 numbered 365,299, increasing to 515,244 in 1966 – any one of these is a potential source of complaint.

Complaints handled

(This includes investigations as well as complaints recorded elsewhere)



Complaint investigations—Toronto

	1965	1966	1967	Total
Received	308	531	736	1,575
Under investigation from previous year	—	44	72	116
	308	575	808	1,691
Redress to complainant	137	224	307	668
No redress obtained	91	134	82	307
Unfounded, frivolous and malicious	15	84	203	302
No customer follow-up	18	61	117	196
Anonymous	3	0	3	6
Under investigation at year end	44	72	96	212
	308	575	808	1,691

Complaint-investigations by regional inspectors

	1965	1966	1967	Total
Received	140	228	403	771
Under investigation from start of year	—	—	6	6
	140	228	409	777
Redress to complainant	38	50	146	234
No redress	62	73	104	239
Unfounded, frivolous and malicious	10	18	50	78
No customer follow-up	26	71	69	166
Anonymous	4	10	19	33
Transferred to Toronto—duplicates	—	—	11	11
Under investigation at year end	—	6	10	16
	140	228	409	777

Hearings conducted

	Before Advisory Board					Before the Registrar					Totals		
	1965	1966	1967	1965	1966	1967	1965	1966	1967	1965	1966	1967	1967
Number held	1	2	1	28	9	24	9	60	86	38	71	111	
Decisions													
Denied	-	2	-	2	8	13	-	-	-	-	-	-	-
Suspended	-	-	-	-	-	-	1	8	10	3	20	26	
Cancelled	-	-	-	-	-	-	-	2	3	-	-	-	
Conditional registration	-	-	1	26	1	11	8	38	37	34	39	49	
Severe reprimand	-	-	-	-	-	-	-	6	4	-	6	4	
Reprimanded	-	-	-	-	-	-	-	6	11	-	6	11	
Cautioned	-	-	-	-	-	-	-	-	9	-	-	9	
No action	-	-	-	-	-	-	-	-	4	-	-	4	
Decision reserved	-	-	-	-	-	-	-	-	8	-	-	8	
Adjourned	1	-	-	-	-	-	-	-	-	1	-	-	-

Statistics on registration

Registrations issued	1965	1966	1967
Dealers	2,985	3,363	3,440
Branches	187	254	233
Salesmen	8,916	10,208	10,774
Transfers (salesmen)	1,053	1,731	2,298
	13,141	15,556	16,745

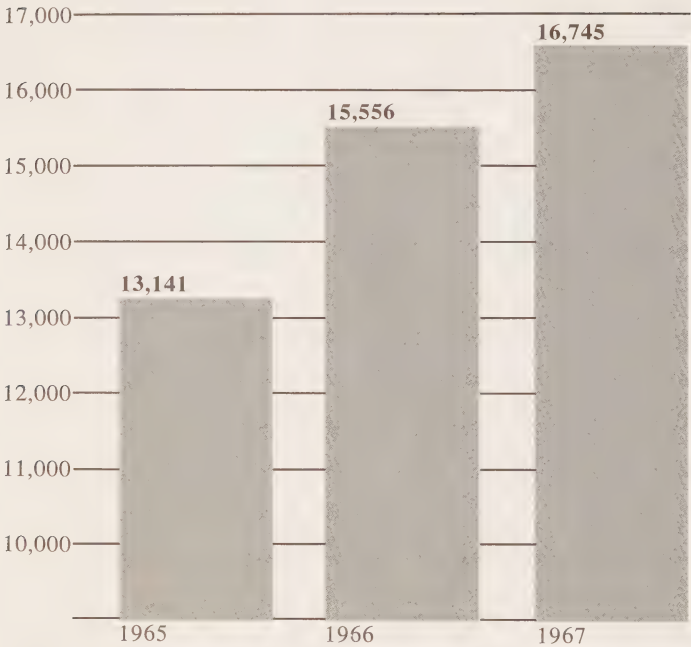
Dealers	1965	1966	1967
Applications abandoned	51	81	29
Bond cancellations	49	171	153
Bonds forfeited	2	7	7
Change of address	18	221	225
Registrations—not renewed	33	389	426
Registrations—terminated and reinstated (bonds or location)	0	73	117
Change of trading-name	25	136	130
Change of trading-name (individual to corporation)	7	76	54
Partnership dissolution	4	9	16
Individual to partnership	1	2	3

Branches	1965	1966	1967
Change of address	0	10	16
Terminated	0	28	54

Salesmen	1965	1966	1967
Applications abandoned	86	220	158
Bond cancellations	933	3,259	2,086
Bonds forfeited	0	1	5
Change of address	166	466	445
Registrations—not renewed	1,380	1,068	1,073
Registrations—terminated and reinstated (bonds)	0	559	310
Registrations—transfers	1,053	1,731	2,298
Transfers—abandoned	5	20	44

Number of registrations

*(This includes new registrations and renewals
by corporations, individuals, branches,
salesmen and salesmen transfers)*





Credit Union Section

The first credit union in Ontario was incorporated in 1928 under *The Co-operative Societies Act*, which was enacted in 1922 but not proclaimed until 1928.

The Act was enacted in 1940 under the title of *The Credit Unions Act, 1940*. The administration of credit unions was transferred from the Department of Agriculture to the Department of Insurance in 1953, under the supervision of the Superintendent of Insurance, who reported to the Attorney General. At that time there were 920 credit unions in the province (40 of which had been dissolved), with total assets of \$60,049,741.

A registrar of credit unions and a supervisor of credit unions were appointed during 1953 and, with a staff of ten examiners, a program of inspection of individual credit unions was established.

On May 8, 1964, an amendment to the Act replacing the Superintendent of Insurance by the Director of the Registration and Examination Branch of the Attorney General, was passed and proclaimed. As of that date the administration of the Act was transferred from the Department of Insurance to the Department of the Attorney General. By that time there were 1,620 active credit unions in the province, with total assets of \$374,177,611.

Effective November 24, 1966, the function of administering the Act was transferred to the Department of Financial and Commercial Affairs under the Director of the Registration and Examination Branch.

1,968 charters, including those of four leagues, have been issued since 1928. Of this number, 305 have been dissolved or have been amalgamated with, or sold their assets to other credit unions, leaving 1,663 active credit unions and four leagues. The latest estimate of total credit union assets in the province is \$588,000,000.

The 1,663 credit unions are examined periodically by a staff of 17 examiners; 13 office-clerical staff complete the Branch.

The first regional office was established in Windsor in 1955. Since 1955 seven other regional offices have been opened at strategic points throughout the province—Port Arthur, North Bay, Ottawa, Peterborough, Kitchener, Hamilton, London.

General statistics

(At December 31, 1967)

Classifications	Active	Dissolutions	Charters issued
Industrial commercial	723	161	888
Public service	269	26	295
Associational—urban	159	36	195
Associational—rural	11	1	12
Leagues	4	—	4
Religious —urban	232	31	263
Religious —rural	79	11	90
Community —urban	48	16	64
Community —rural	142	15	157
	1,667	297	1,968
Non-affiliated credit unions			95
Affiliated with O.C.U.L. (caisses populaires)			4
Affiliated with O.C.U.L. (credit unions)			1,477
Affiliated with La Fédération			58
Affiliated with Régionale Cochrane & Temiskaming			6
Affiliated with Régionale Nipissing & Sudbury			17
Affiliated with La Fédération & Régionale Cochrane & Temiskaming			6
Active credit unions and caisses populaires			1,663
Dissolved			305
Charters issued			1,968

Credit union charters

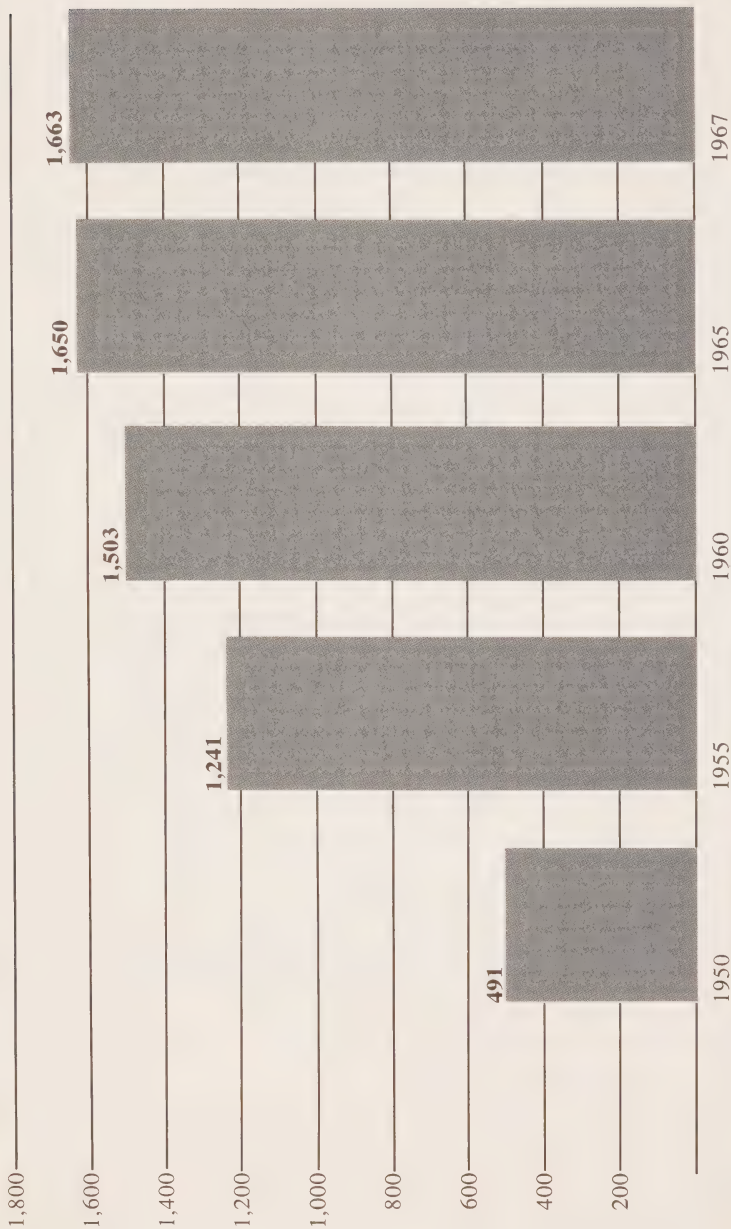
From the time the first credit union in Ontario was incorporated in 1928 until 1939, 25 charters were issued. From 1940 to 1950 there was an average number of 40 charters issued each year.

The following table shows the increase in credit union charters outstanding between 1950 and 1967, inclusive.

Year	Charters issued	Charters cancelled or surrendered	Charters outstanding Dec. 31	Credit unions reporting
1928 to 1950	436	—	436	—
1950	62	7	491	440
1951	105	5	591	—
1952	163	8	746	615
1953	161	—	907	830
1954	212	1	1,118	976
1955	145	22	1,241	1,150
1956	97	2	1,336	1,166
1957	77	—	1,413	1,193
1958	50	—	1,463	1,258
1959	56	30	1,489	1,291
1960	68	54	1,503	1,378
1961	46	23	1,526	1,319
1962	43	26	1,543	1,265
1963	64	25	1,582	1,326
1964	55	13	1,624	1,347
1965	49	23	1,650	1,303
1966	42	36	1,656	1,348
1967	37	30	1,663	—
	1,968	305		

Credit unions not reporting include inactive credit unions, those where dissolution is pending and those where charters were issued late in the year.

Charters outstanding



Superintendent of Insurance Division

Despite the fact its activities seldom attract the attention of the public, the Department of Insurance, which now operates under the Department of Financial and Commercial Affairs, performs a vital service to the people of Ontario. It keeps a guardian eye on the many billions of dollars the people of this province have entrusted to insurance companies, loan and trust corporations, investment contract companies, and prepaid hospital and medical plans.

Most of these duties are of fairly recent origin. The Department of Insurance was founded in 1879 to ensure, as its name suggests, that insurance companies conducted their business in accordance with the regulations of *The Insurance Act*. In the same year it was also entrusted with supervising the administration of *The Loan and Trust Corporations Act*. Since then, other Acts have been added — *The Investment Contracts Act*, *The Prepaid Hospital and Medical Services Act*, etc.

As a consequence of its extra responsibilities and the increasing volume of business in Ontario, the Department of Insurance staff has tripled in the past years from 21 employees in 1939 to 65 in 1967.

The Superintendent of Insurance exercises wide supervision over the business in Ontario of those 224 insurance companies and mutual benefit societies which have been incorporated by Ontario and other

Canadian provinces. There are also 419 insurance companies operating in Ontario which have been incorporated in other countries. These also operate under the supervision of the Provincial Department of Insurance, although they are registered and inspected by the Federal Department of Insurance.

Registrations

Of the 187 Ontario insurance companies, 49 sell such policies as life, fire, automobile, and general liability insurance. Another 74 are mutual benefit societies whose members pay contributions into central funds to protect themselves against financial crippling eventualities. (For example, the employees of a factory may form a sickness and funeral mutual benefit society.) Another 64 are farm mutuals, organized by a county's farmers to insure themselves against loss by fire of their farm buildings.

Before any of these insurance companies may conduct business in Ontario, they must register each year with the Department of Insurance. To be accepted for registration, every company must file its annual report with the Department. This must be certified by a chartered accountant acceptable to the Department. The Department's examiners check carefully each annual report to see that a company's officers are acting in accordance with the regulations of *The Insurance Act*.

This surveillance ensures that every company is sufficiently solvent to meet its financial responsibilities to its policyholders. If a company's annual report is approved, the company is registered for the coming year; but should the Department's examiners decide a company's officers are not acting in accordance with *The Insurance Act* regulations, the company will not be registered for the coming year until its financial solvency is satisfactory. In addition, if the Department examiners are suspicious of an annual report's validity, they have the right to conduct a full-scale audit of the company's books.

Every salesman of insurance in Ontario must also be licensed each year by the Department before he can sell any type of insurance in Ontario. To be licensed, an applicant must convince the Department of his integrity and that he has sufficient education and knowledge of insurance to be of real service to his potential clients. This necessitates that new fire and casualty agents and their salesmen, who usually represent two or more companies, pass a written examination given by the Department. However, life insurance salesmen are not required to pass a written examination, for they represent only one company which trains them in the complexities of life insurance. But the Department may refuse to renew the annual license of any insurance agent or salesman who violates any section of *The Insurance Act*. He may also be fined and jailed if his offense warrants prosecution in the courts, and he is convicted.

However, agents or salesmen who have been refused a renewal of their license, or an application for a license, have the right of appeal to an Advisory Board. This consists of a representative of the insurance companies, a representative of the licensed agents and a representative of the Superintendent of Insurance. The Board holds a hearing, hears the evidence of the applicant and recommends whether or not a license should be granted or renewed; the Superintendent has the right to accept or reject its recommendation; but should he reject the applicant's petition, the applicant still has the right to appeal to the Court of Appeal.

The Department also intervenes frequently on behalf of an insured person's claim against an insurance company. Usually this happens when a person writes to the Superintendent that an insurance company refuses to settle his claim. The Superintendent investigates his claim and occasionally finds the insurance company believes the claimant has violated one of the statutory conditions, say of his automobile insurance policy, such as driving while under the influence of alcohol. In some instances, the claimant submits to the Superintendent evidence that he has not violated any statutory condition; the Superintendent then acquaints the insurance company with this information and suggests that further consideration be given to the claim. Where there is a clear conflict of evidence or legal questions involved, the Superintendent informs the claimant his only recourse is to hire a lawyer to present his case in court.

The Superintendent of Insurance acts also as the Registrar for Loan and Trust Corporations. Loan corporations rent out the monies depositors have entrusted to them in first mortgages on homes and land; trust companies put their investors' monies in securities and stocks. Since they are dealing with the public's money, loan and trust corporations must be registered each year by the Registrar before they can conduct business in Ontario. To do so they must abide by regulations similar to those which govern insurance companies. Annual reports must prove to the Registrar's examiners that they are sufficiently solvent to meet their financial obligations.

Companies operating non-profit prepaid hospital and medical plans must be registered with the Superintendent of Insurance. These must submit their annual financial statements to the Department. Inspectors also examine their books and records to satisfy the Department as to their solvency and proper operations. In addition, all contracts must be approved by the Superintendent as being fair and reasonable to policyholders.

Any company selling investment contracts must be registered by the Superintendent of Insurance. Investment contracts enable persons to deposit a sum of money periodically with a company for from ten to twenty years; at the end of that time the company agrees to return their investors' monies with a fixed profit. Salesmen of investment contracts

must also be registered by the Superintendent and must satisfy the Department as to their integrity and fitness. Companies issuing investment contracts are also required to file annual financial returns so that the Department's examiners can see that they are maintaining adequate reserves to pay their contracts as they become due. Spot checks of companies' books and records are made by examiners to determine their financial position and compliance with *The Investment Contracts Act*. In this regard, the Act stipulates that investment contract companies can invest only in approved stocks and securities. Companies' contract forms are approved by the Department to ensure they are not promising too much to prospective customers.

In summary, the importance of the Department of Insurance is illustrated by the number of companies and salesmen upon whom it keeps a guardian eye. In Ontario there are more than 600 insurance companies, including mutual benefit societies, 17,400 insurance agents, 600 adjusters, 27 trust companies, seven loan corporations, 39 prepaid hospital and medical services plans, and three investment contract companies, with 226 salesmen.

Statistics

The Superintendent of Insurance publishes detailed reports annually about the insurance companies and loan and trust companies under his supervision.

Ontario Securities Commission

To the Ontario Securities Commission is entrusted the establishment and surveillance of standards and procedures for transactions in securities in the Province of Ontario. It has the responsibility for the administration of *The Securities Act, 1966*, and the regulations passed thereunder, which two documents together comprise some of the most stringent securities laws in the country.

The Commission

The Commission, appointed by the Lieutenant-Governor in Council, is composed of a Chairman and a Vice-Chairman, both of whom devote their full time to the work of the Commission, and three Commissioners, who devote as much time as is required for the due performance of their duties as members of the Commission.

The appointment of the Commission's first permanent Vice-Chairman in March of 1967 reflects the Commission's increasing executive responsibilities.

Staff

Subject to the direction of the Commission, and under the immediate supervision of its chief administrative officer, the Director, the Com-

mission staff has been organized into the Administration, Prospectus, Registration and Investigation Sections.

The Administration Section, supervised by the Deputy-Director — Administration, is responsible for the review and preliminary enforcement of Parts XI and XII, the Insider Trading and Financial Disclosure provisions of *The Securities Act, 1966*, as well as routine administrative functions.

The Prospectus Section, headed by the Deputy-Director — Filings, is completely professional in character. Each prospectus filed with the Commission is reviewed by lawyer-accountant teams. At present, four solicitors, a mining examiner, and five accountants make up this section. As well as a permanent geologist on the staff to give technical advice for mining and oil filings, the section has recently been strengthened by the appointment of two full-time financial analysts. Outside experts are consulted, as required.

The Registration Section under the direction of the Deputy-Director — Registration, deals with the variety of classes of registrants entitled to trade in securities or to give investment advice in Ontario.

Enforcement of *The Securities Act, 1966*, and related matters rests with the Investigation Section. Under the Chief Legal Investigation Officer have been grouped a staff of seven lawyers, seven professional accountants, and nine investigators whose sole responsibilities are in this area. Major investigations are conducted by teams of lawyers, accountants, and investigators.

The appointment of three Deputy-Directors for administrative purposes is indicative of the growing responsibility entrusted to the Commission.

The Securities Act, 1966

Following the issuance in March 1965, of the Report of the Attorney General's Committee on Securities Legislation in Ontario, the Province of Ontario passed a new Securities Act based on the recommendations contained in that report. All of the provisions of the Act came into force on May 1, 1967. This new Act tightened up the provisions relating to the issuance of securities and the registration of securities salesmen. Much more complete financial disclosure by companies subject to the jurisdiction of the Ontario Securities Commission was required, and positive control of the Toronto Stock Exchange by the Commission, including authority over primary distribution of shares, was provided. Stringent requirements were established for disclosure in connection with take-over bids, proxies and proxy solicitation, and for insider trading, as well as for regular financial disclosure.

The key phrase in the Act is "full, plain and true disclosure" — which requires that the prospective buyer of securities be given the fullest in-

formation necessary to guide him in making an investment decision.

Regulations in connection with the new Act were issued in March 1967.

By amendments this year to *The Securities Act, 1966*, the Commission was given further responsibilities over finance companies. Work on regulations pursuant to this latter amendment is nearing completion.

The new Ontario securities legislation provides one of the most advanced codes in the country for the intricate business of supervising the issuance of, and trading in, securities and the supervision of the people engaged therein.

Canadian Securities Commission (Cansec)

The OSC has always cooperated with the similar bodies in other provinces, and, of course, will continue to do so. However, Ontario does recommend strongly that this cooperation could become most effective in the interests of the general population of Canada, if there were uniform securities legislation throughout Canada. The proposal is that existing securities administrators throughout the ten provinces cooperate in the setting-up of a national organization which would become the Canadian Securities Commission, known by its short form name — CANSEC. This proposal originated with the OSC and has been cordially received. It is currently the subject of study in the other provinces, as well as in Ottawa.

Mutual Funds Study

The OSC is also cooperating with the other provinces in an extensive study of mutual funds and investment contracts in Canada. The purpose of the study, which resulted from a proposal by Ontario, will be to obtain complete information concerning open-end mutual funds (including funds sponsored by trust companies) and investment contracts. On this basis, it is hoped, a determination may be made as to whether legislation, in addition to the existing legislation, is required for the protection of the public interest in Canada.

Chairman of the Study is Gordon E. Grundy, vice-chairman of the Ontario Securities Commission.

Mining Committee

During the past year the Ontario Securities Commission has felt the desirability of reviewing the underwriting, vendor consideration, escrow or pooling policies, and other matters related to the financing of mining explorations and development companies. In order to conduct such a study the Commission appointed a committee under the chairmanship of Commissioner D. S. Beatty. This Committee was empowered to hold public hearings in such Ontario centres as it deemed desirable for the

purposes of hearing representations from prospectors, developers, investment dealers, broker dealers, engineers, geologists, and others associated with the exploration, development, and financing of mining. To date, the Committee has held hearings at the Lakehead, in Sault Ste. Marie, Timmins, and Toronto.

It is the Committee's intention to publish a report of its findings with recommendations sometime in the spring of 1968.

Commission hearings

Every Thursday the Commission sits as a quasi-judicial body to hear applications for rulings as to whether or not a proposed trade in shares would constitute a primary distribution to the public, and to hear applications for exemption from the proxy solicitation, financial reporting, or insider trading provisions of *The Securities Act, 1966*. In addition, the Commission makes investigation orders and hears appeals from the decision of the Director or a Deputy-Director.

Since the coming into force of the new Act on May 1, 1967, approximately 240 matters have come before the Commission, either by way of application, appeal, or review. It is quite common at these hearings for the parties to attend personally, and to be represented by counsel.

Due to the increasingly crowded nature of the Commission's agenda, it often becomes necessary for the Commission to sit concurrently in two panels in order to deal with all the matters coming before it on the hearing day.

Administration section

The Administration section, headed by the Deputy-Director—Administration, includes an accountant, and accounting, clerical, and typing staff.

This section receives, checks, and verifies the accuracy of all reports relating to trading transactions by "insiders", and then publishes the information in the Commission's monthly Bulletin, which is circulated to approximately 1,000 subscribers. In the six-month period from May 1, 1967, to October 30, 1967, approximately 40,000 reports were received, checked, and published.

This group is also responsible for seeing that proper annual and semi-annual financial statements are filed by those companies to which the Act applies. In addition to supervising the filing of such financial statements, the statements are examined as to content, with a view to seeing that company funds are being expended in a manner consistent with the filing statements. Approximately 1,400 financial statements have been received and filed in the six months since the provisions of the new Act came into force.

Normal administrative functions, such as central records, accounts,

mail and supply are also dealt with by this section.

Registration section

The Deputy-Director — Registration, his assistant, and a staff of five registration clerks are entrusted with the registration and supervision of all classes of registrants under the Act. Registrants include all those who seek principal registration (brokers, investment dealers, broker-dealers, underwriters, securities advisers, and investment counsel), and those who seek to be registered as salesmen.

In 1966, the number of principal registrants was 371. By 1967, with the new requirement that underwriters be registered, their number had increased by about 100.

There have been two significant developments during the past year that have affected this section. Underwriters are now required to be registered as such, and floor traders on the floor of the Toronto Stock Exchange must be registered as securities salesmen.

As at July 1, 1967, the Ontario Securities Commission required a minimum standard for registration as a securities salesman, by giving recognition to the Canadian Securities Course and to the Canadian Mutual Funds Course for securities salesmen. In the view of the Commission, these two courses demonstrate a minimum acceptable standard of qualification for eligibility for registration. The Commission now requires that applicants for registration as securities salesmen enrol in and pass either course.

Prospectus section

In addition to reviewing prospectus filings, refilings, amendments, and statements of material fact, the Prospectus section, under the Deputy-Director, acts as an information centre for the legal profession, and all those interested in securing information about securities law in Ontario. Most of these inquiries involve research of varying depth, and some necessitate presentation before the Director or the full Commission. In such instances, a member of the prospectus staff prepares a memorandum and is expected to act as staff counsel before the Director or the Commission.

Investigation section

Under the supervision of the Chief Legal Investigation Officer, the work of the Investigation Section is centered in eight main areas: Prosecutions under both *The Securities Act* and under *The Criminal Code*; formal investigations; applications to the High Court under Section 84(3) of *The Corporations Act (Ontario)* on which the Commission has the right to appear and be heard; applications under the corresponding section of *The Corporations Act (Canada)*; appeals from decisions handed

down under *The Securities Act* and *The Criminal Code*; appeals to the Supreme Court of Ontario from decisions of the full Commission; also informal investigations.

Seventeen prosecutions were commenced in 1967. Twelve were dealt with, out of which nine convictions were registered and three were dismissed. Twenty-four prosecutions are current, four appeals are pending, and one appeal is being recommended.

Seventeen formal investigations were carried over from 1966. Fifteen were commenced in 1967, giving a total of 32 for the year. Thirteen of the 32 formal investigations have been closed, leaving a balance of 19, which are current.

Approximately 146 informal investigations were carried over from 1966. In 1967, 253 were commenced, making a total of 399. Of these investigations 159 have been closed since the beginning of the year, leaving a balance of 249 outstanding.

Twenty applications have been heard in 1967 under the Ontario Corporations Act, and four applications have been heard under *The Canada Corporation Act*.

Seven appeals under *The Securities Act* and *The Criminal Code* were current in the year 1967, one of which was allowed and the conviction quashed. Six appeals are still outstanding. Additionally, one appeal was launched against a decision of the full Commission. The decision of the Commission was upheld.

Publications

The Ontario Securities Commission endeavours to protect the investing public, but it must also see that all who are engaged in the securities business are adequately equipped with information as to the Commission activities, policies, and directions, so that they may better serve the investing public.

Each Monday the Commission publishes a summary of the past week's activities. This summary appears in the press and is mailed out to all subscribers of the *Monthly Bulletin*, which contains a summary of each month's insider trading transactions reported to the Commission, a list of new principal registrations, and a list of all registrations that have been terminated. All Commission directions, orders and rulings, other than those of a routine nature, changes in policy, and any new policies are also published in the *Monthly Bulletin*.

The aim of the new legislation and of the Ontario Securities Commission is to see that the public is adequately supplied with information on which to base an investment decision. It follows, then, that the Commission is concerned with educating the public as to the sources of information available from the Commission, and urges that the public take advantage of these opportunities.

Prospectus filings—five years ending 1967

	1963	1964	1965	1966	1967
Preferred shares					
Issues	24	27	31	24	13
Value (000)	\$135,849	\$82,152	\$122,724	\$124,557	\$207,477
Number of shares	4,316,063	2,919,097	7,661,976	4,025,774	8,135,769
Common shares					
Issues	34	49	38	19	21
Value (000)	\$116,160	\$211,374	\$104,603	\$93,381	\$27,893
Number of shares	17,203,820	31,215,031	6,737,865	6,700,196	5,733,990
Bonds and debentures					
Issues	43	47	55	45	45
Value (000)	\$417,666	\$354,400	\$363,280	\$542,279	\$548,465
Mining and oil shares					
Issues—mining	156	155	212	228	117
oil	13	4	6	7	7
Mutual funds					
Issues	39	42	53	58	84
Other (Short term notes, etc.)					
Issues	14	13	33	17	11
Unit offerings (Preference and common shares)					
Issues	5	12	7	5	3
Value (000)	\$3,642	\$12,020	\$2,370	\$3,869	\$2,660
Syndicates					
Number of filings	2	4	2	3	2

DEPARTMENT OF FINANCIAL AND COMMERCIAL AFFAIRS ORGANIZATION

Minister

Deputy Minister

The Department of Financial and
Commercial Affairs Act, 1966

Advisory services

Chief Administrative Officer

Consumer Protection Division
Director

Consumer protection legislation

Ontario Securities Commission

Chairman

Securities legislation

Director

The Ontario Securities Act, 1966

Superintendent of Insurance

The Insurance Act, R.S.O. 1960

The Investment Contracts Act, R.S.O. 1960

The Loan & Trust Corporations Act, R.S.O. 1960

The Marine Insurance Act, R.S.O. 1960

The Prepaid Hospital & Medical Services Act,
R.S.O. 1960

The Public Finance Companies' Investments Act,
1966

The Ontario Deposit Insurance Corporation Act
1967

Registration and Examination Branch
Director

The Bailiffs Act, 1960-61

The Collection Agencies Act,
R.S.O. 1960

The Mortgage Brokers Registration Act,
R.S.O. 1960

The Real Estate & Business Brokers Act,
R.S.O. 1960

The Used Car Dealers Act, 1964

The Credit Unions Act, R.S.O. 1960

Consumer Protection Bureau

Registrar

The Consumer Protection Bureau Act, 1966

The Consumer Protection Act, 1966

		Telephone number
MAIN OFFICE		
Minister:	Honourable H. Leslie Rowntree, Q.C.	6393
Executive Assistant to the Minister:	R. Campbell	6397
Deputy Minister:	F. J. Pillgrem	6389
Financial Research Assistant:	G. H. Thornton, A.C.M.A.	4239
Departmental Solicitor:	E. Ciemiega	5187
Public Relations Officer:	E. C. Fisher	5181
Chief Administrative Officer:	A. V. Godden	6485
CONSUMER PROTECTION DIVISION		
Director:	S. D. Turner	6477
Divisional Solicitor:	R. H. Lewis	6506
Consumer Protection Bureau, Registrar:	A. R. Walker	6479
REGISTRATION AND EXAMINATION BRANCHES		
Director:	W. M. Jaffray	2525
Registrars – Collection Agencies;		
Mortgage Brokers; Bailiffs:	V. J. Simone	2513
Real Estate and Business Brokers:	W. J. Kucherepa	2504
Used Car Dealers:	R. G. MacCormac	4241
Supervisor, Credit Unions:	L. K. James	2515
SUPERINTENDENT – INSURANCE DIVISION		
Superintendent of Insurance and Registrar of Loan and Trust Companies:		
	C. Richards, F.C.A.	2508
Deputy Superintendent:	S. J. Sexton, Q.C.	2500
Chief Examiner:	J. Silver, C.A.	4247
Licensing Officer – Agencies:	A. A. Halford	2501
ONTARIO SECURITIES COMMISSION		
Chairman:	H. E. Langford, Q.C.	2861
Vice-Chairman:	G. E. Grundy, F.C.A.	2861
Director:	H. S. Bray, Q.C.	5352
Deputy Directors – Administration:	T. T. Birkett	2865
Prospectus Filings:	T. O. P. Brown, F.C.A.	2877
Registration:	W. L. Jewett	6578
Investigation – Chief Legal Officer:	B. C. Howard	1261



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The Department of Financial and Commercial Affairs

Report covering January 1, December 31, 1968

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The
Department of
Financial and Commercial Affairs
Province of Ontario

Divisions:

Consumer Protection
Superintendent of Insurance
Ontario Securities Commission

Published by FRANK FOGG, Queen's Printer



DEPARTMENT OF FINANCIAL AND COMMERCIAL AFFAIRS
OFFICE OF THE MINISTER

123 Edward Street,
Toronto 2

To His Honour the Lieutenant Governor in Council

May It Please Your Honour:

The undersigned has the honour to present to Your Honour the second Annual Report of the Department of Financial and Commercial Affairs. In order to provide an up-to-date indication of the achievements and activities, the period represented runs from 1 January through 31 December 1968. All of which is respectfully submitted.

H. L. Rowntree
H. L. Rowntree, Q.C.
Minister



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Foreword

This summary of the detailed reports that follow points up the actions and endeavours of the Department for the period January 1 to December 31, 1968.

Its purpose is to provide a quick précis of the performance, highlights, and programs undertaken during the past year.

During the year the Department continued to record progress in all of its multiple operations. Some indication of the effectiveness of these functional programs, which were geared to the level of demand, is reflected in the detailed sectional reports of the various operating Divisions.

To obtain a picture of the challenges facing the Department, effort has been made to identify the objectives that led to the creation of the Department, and to use these objectives as the foundation for the activities that are consistent with and offer maximum effectiveness in the public interest.

In addition, to the legislation transferred to the Department by the Department of Financial and Commercial Affairs Act 1966, the following acts were transferred from the Department of Health during 1968:

January 1 — The Cemeteries Act R.S.O. 1960

September 1 — The Upholstered and Stuffed Articles Act 1968

Thus the field of undertaking in consumer affairs has been further broadened.

The Department comprises three operating divisions with an administrative division in general support. The total staff of the Department at December 31, 1968 was 313; an increase of 27 over the 286 employed one year ago.

A basic part of the year's operations has been to study the experiences gained in the initial year, and then, through examination and research, translate new ideas and opinions into meaningful legislation beneficial to the citizens of Ontario.

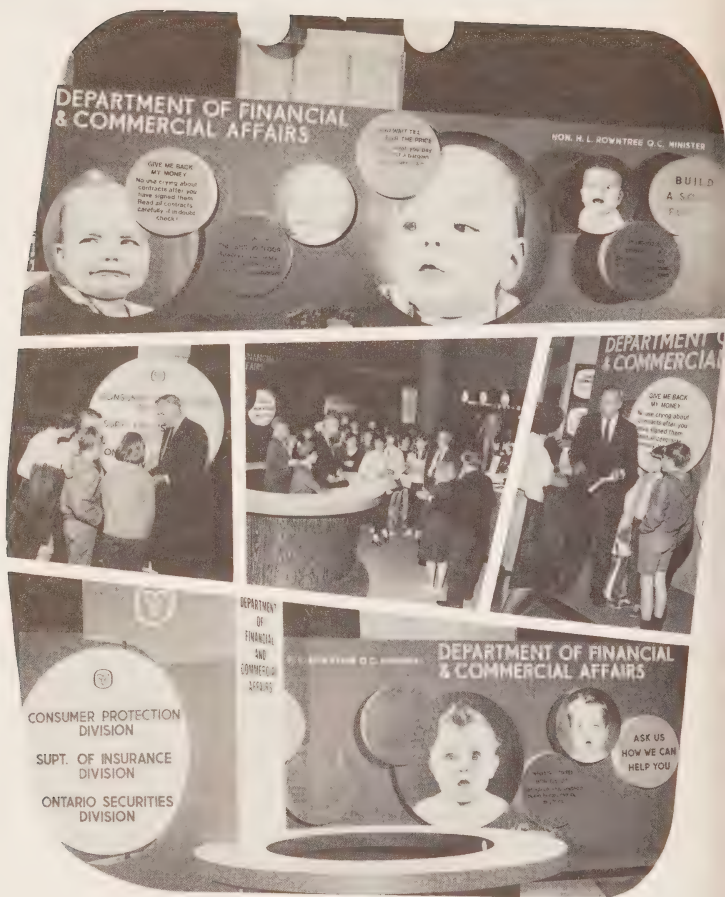
The Consumer Protection Division was enlarged during the year by the transfer of The Cemeteries Act and The Upholstered and Stuffed Articles Act. The requirement in both of these pieces of legislation is to ensure that activities are conducted in the public interest. The Cemeteries Act requires a degree of supervisory responsibility; while The Upholstered and Stuffed Articles Act deals with identification and control of products before and after manufacture.

Amendments in Consumer Protection legislation were made during the past year. Effective July 23, 1968, all sellers whose business includes selling away from their main place of business on a time payment or delayed delivery basis, whether or not a charge for credit is levied against the purchaser, must now be registered with the Consumer Protection Bureau as itinerant sellers. In addition, the contract must set forth an itemized breakdown of the price of goods and services and, also, the two-day "cooling-off" period now applies to all such contracts. In the field of consumer protection education, the Division held five Consumer Protection Conferences throughout the Province. These seminars attracted a total of more than 2000 delegates representing all sectors of the consumer public.

Ontario was proud in 1968 to host the annual meeting of the Superintendents of Insurance Association of Canada. There was a very representative attendance from the 10 Canadian Provinces and from States of the United States. Superintendents of Insurance are working together to promote uniformity for standard insurance policies.

Judged by the numbers of decisions issued during the year the Ontario Securities Commission had its busiest year. Amendments to The Securities Act, 1966, and its regulations made during the year provided for added disclosures for the public as well as modifying and enlarging the Commission's powers. "Security" was further defined to include "scholarship funds". The definition of "insider" was broadened. The Commission was also given the power to apply to the High Court for orders enforcing the Act as well as being given the power to suspend trading in specific securities where the circumstances required such action. A modification of the financial disclosure part of the Act provided for clearer disclosure for mutual funds. The regulations were expanded to define "finance companies" and to provide for a sophisticated form of regular financial reporting by them. Where the finance company's obligations are secured by a trust indenture the regulations spell out certain statutory conditions which must appear, or are implied in that indenture, as well as providing for certain rights and duties for the trustee.

The Financial and Commercial Affairs Advisory Committee under the Chairmanship of Mr. Donald A. McIntosh, Q.C., continued to meet at the request of the Minister. The Committee is invaluable in acting as a sounding board or, for presenting experiences, advice and opinion, based upon the wide strata of interests in commerce and industry from which it is drawn. It is appropriate to express appreciation to this Committee for the time spent, without remuneration, in consultation with the Minister.



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DEPARTMENT OF FINANCIAL AND COMMERCIAL AFFAIRS

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Consumer Protection Division

The role of the Consumer Protection Division is expanding in all branches and sections.

The emergence of consumer credit as a large, integral part of daily living is one of the many dramatic changes in the post-war era. Outstanding consumer credit has multiplied five times since 1951 to an approximate total of nine billion dollars today. It is this credit facility which permits the consumer to use his future earnings to satisfy present needs and wants. Nevertheless, the onus to control this vast force must lie, to a large degree, with each credit grantor. To merely accept a credit application at face value, relying solely on the applicant's sound judgement, is not sufficient. Good credit granting practices require that credit grantors carry out a proper credit check; refuse credit to questionable applicants; and explain carefully the cost of credit and the terms of repayment so that the borrower, or the purchaser, is under no misapprehension as to the total cost of his borrowing or purchase.

The principle of full disclosure continues to be the dominant aspect looked for in consumer transactions. The seller or lender must place the full details of the proposed transaction before the customer and fully inform the purchaser or borrower of all the terms involved.

There is a growing demand that present contract terms be revised and spelled out so that not only will iniquitous or onerous terms be outlawed, but also that the consumer will be able to understand more easily and clearly the conditions he is accepting when he applies his signature to a contract form. This is being examined by a study committee from the Inter-Provincial Conference delegates.



The Department of Financial and Commercial Affairs convened the first Interprovincial Conference on Consumer Protection ever held in Canada on June 10-13, 1968. Among those who attended were, from left, standing: Gordon Powers, Newfoundland; M. H. Smith, British Columbia; Roy S. Meldrum, Q.C., Saskatchewan; Hon. F. C. Colborne, Alberta; Hon. E. D. Haliburton, Nova Scotia and L. P. Bouchard, Quebec. Seated, from left, are: G. F. Osbaldeston, Ottawa; Hon. Stewart E. McLean, Manitoba; Hon. H. L. Rowntree, Ontario and Hon. T. E. Hickey, Prince Edward Island.

Inter-Provincial Conferences

The first Inter-Provincial Conference on Consumer Protection was held in Toronto from Monday, June 10 through Thursday, June 13, 1968. This four-day meeting, under the sponsorship of the Ontario Department of Financial and Commercial Affairs, was attended by cabinet ministers and senior officials of the ten provinces, and representatives from the Federal Department of Consumer and Corporate Affairs.

Conceived as an informal working conference, it was designed to air the problems facing provincial levels of government in consumer purchasing and consumer credit in today's credit-oriented society.

With the provinces moving ahead in the area of consumer protection, there was a desirable general need for dialogue with an exchange of ideas in many complex areas and, in particular, an urgent need to establish ground rules for a standard of uniformity in legislation and approach.

The first day was devoted to policy statements which emphasized the need for consumer protection and the importance of continued consideration as to how far government should participate in this area.

On the second day, the following national associations presented briefs—The Oil Industry Credit Grantors Association, Sales Finance Companies, Consumer Loan, Direct Sellers, Automobile Dealers of Canada, The Canadian Advertising Advisory Board, The Canadian Central Registry, Retail Council of Canada.

The third and fourth days provided detailed discussions of many problems arising in consumer protection legislation.

Committees were formed to provide research and study into important areas of mutual concern. These small working committees could be termed fact-finding groups to sort out and define areas of practical jurisdiction and to recommend a solution towards avoiding duplication of purpose. Each Province is represented on one or more committees.

The specific subjects allocated for study included direct sales and "cooling-off" period; standard forms of consumer credit contracts; rights of purchasers as to warranties, disclaimer clauses; rights of purchasers as to prepayment privileges, default and forfeiture provisions, repossession rights, relief against acceleration and forfeiture, and finally, misleading advertising.

The federal minister of Consumer and Corporate Affairs invited the provinces to send senior representatives to a conference in Ottawa October 28-30 to discuss the federal government's views on its jurisdiction in consumer affairs, and to arrive at a tentative agenda for a Ministers' Conference in the spring of 1969. Following this meeting, the second Inter-Provincial Conference was held on October 31 and November 1 to consider the reports of the study committees.

Registration and Examination Branch

The Director is responsible to the Director of the Consumer Protection Division for the Registration and Examination Branch.

It is the Director's responsibility to ensure that registrars who have been appointed to apply the relevant legislation exercise their function consistently and effectively. The registrars decide initially whether applications for registration are to be granted. Subsequently, it is their duty to determine whether or not any registration is to be suspended or cancelled for proper cause. Should a decision of the registrars be disputed, it is subject to a statutory review and hearing before the Director whose decision, in turn, can be appealed to a justice of the Court of Appeal.

The legislation involved includes:

The Bailiffs Act

The Collection Agencies Act

The Credit Unions Act

The Mortgage Brokers Registration Act

The Real Estate and Business Brokers Act

The Used Car Dealers Act

The aim and object of each of the statutes is to foster greater public protection than would be possible without them.

The conditions for registration of persons wishing to enter any particular field of enterprise are established through experience. Each applicant must meet and pass the minimum standards for character, integrity, financial responsibility and competency established from time to time. Thereafter, to retain his registration each registrant must maintain the generally accepted codes of ethical business conduct for each industry.

In disputes arising between registrants and the public, the registrars and the Director often find themselves representing the public's interest as well as both parties to a contract. In so doing, they attempt to hold the scales as close to an even balance as possible.

Bailiffs, Collection Agencies, Mortgage Brokers Section

THE BAILIFFS ACT, 1960-61

The title "bailiff" often creates confusion in the public's mind. These private individuals are sometimes mistaken for official court bailiffs and allowed to act accordingly.

In actuality, a bailiff under The Bailiffs Act is no more than an agent for a creditor, or landlord, as the case may be, and by the Act may effect occupancy, re-possession or seizures by reasonable and peaceful methods.

Examining the complaints received it would appear that the dual usage of the term bailiff enables these private agents to operate under the powers vested in creditors by The Landlord and Tenant Act, The Mechanics' Lien Act, The Warehousemen's Lien Act, The Conditional Sales Act, and others, and achieve results for their clients that would normally be the prerogative only of a court bailiff acting under a court order.

The role of the private bailiff and the effectiveness of The Bailiffs Act in its present form are receiving careful study.

THE COLLECTION AGENCIES ACT

The Collection Agencies Act was one of the first laws in Ontario to be based on the philosophy that occasions arise when the activities of an unscrupulous minority make it desirable to legislate certain controls in the interests of the majority.

The Act therefore became effective on October 1, 1933 with the aim of regulating the activities of the estimated 500 collection agencies in Ontario at that time. They were required to conform with certain statutory provisions and provide a bond of \$500. This resulted in 250 becoming licensed. The bond was later increased to a maximum of \$10,000, and proved of great benefit to the average citizen in helping maintain an orderly industry.

Bearing in mind that the vast majority of the agencies operated in an ethical manner, it was still necessary to evolve a system to combat the unethical methods employed by some agencies.

A further safeguard required that creditors' moneys, collected by an agency, be deposited in supervised trust accounts. As a result, the former problem of some collection agents disappearing with clients' funds is now practically non-existent.

On the rare occasions when this type of theft or deception occurs, the increased bond has proven to be adequate to meet the claims of the creditors against the collection agency involved.

To try and take care of situations where a form of harassment of a debtor may occur, the Collection Agencies Branch carefully screens the documents and forms used by collection agencies in their work. An attempt is also made to educate members of the public as to their rights when they suspect they are in fact being pressed unduly.

THE MORTGAGE BROKERS REGISTRATION ACT

The Mortgage Brokers Registration Act came into force on July 1, 1960 and was intended to regulate the industry and do away with practices which had proven in some instances to be injurious to the public.

The implementation of a clause to deal with false, misleading and deceptive advertising eliminated most of the complaints in that area which had been encountered prior to 1960.

Strict enforcement of the Act has also had the effect of almost completely doing away with the "bonus" mortgage which had been prevalent before the legislation was passed.

The Act requires that very great emphasis be put on full, true and plain disclosure to the borrower (mortgagor) before he is asked to sign a mortgage or contract.

Statistics

Bailiffs	1967	1968
Appointments in force at January 1	160	143
Add: New appointments made January 1 to December 31	9	8
	169	151

Deduct: Deceased	3	5		
Revoked for various reasons	23	26	20	25
Appointments in force at December 31	143	126		

Collection agencies

Licences in force January 1				
Agencies	119			124
Branches	51			60
Collectors	642			720
	812			904

Add: New Licences

January 1 to December 31				
Agencies	8		5	
Branches	9		5	
Collectors	281	298	281	291
	1,110			1,195

Deduct: Licences surrendered:

voluntarily				
Agencies	—		2	
Branches	—		3	
Collectors	203	203	270	275
By request				
Agencies	3		1	
Branches	—		—	
Collectors	—	3	—	1

Licences valid at December 31				
Agencies	124			117
Branches	60			61
Collectors	720			648
	904			826

Mortgage Brokers

Registrations

	1967	1968
Total registrations at January 1	612	704
<i>Add:</i> New registrations from January 1 to December 31	100	143
<i>Deduct:</i> Registrations surrendered, January 1 to December 31	8	88
Registrations at December 31	704	759

Inspections

January 1 to December 31

Bailiffs		Collection Agencies		Mortgage Brokers		Total	
1967	1968	1967	1968	1967	1968	1967	1968
66	48	156	130	37	22	259	200

Complaints

Complaints received	727	783
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The Real Estate and Business Brokers Branch

History

The Act was first passed in 1930 as The Real Estate Brokers Registration Act and was administered along with the Ontario securities legislation in the Department of the Attorney General. It was re-enacted as The Real Estate Brokers Act in 1935. Amended again in 1946, when trades in businesses were placed under the Act, it was then given its present title and transferred to the Department of Insurance. In 1963 responsibility for approval of foreign land subdivisions being offered for sale in Ontario were added. On May 8th, 1964 with the creation of the Registration and Examination Branch the administration was transferred back to the Department of the Attorney General. In 1966, along with the Registration and Examination Branch, it was transferred to the new Department of Financial and Commercial Affairs and placed in the Consumer Protection Division.

Registration

Registration is carried out by a registration officer, his assistant and a staff of eight clerks who process all applicants for registration under the Act.

Before a registration is granted enquiries are made as to financial responsibility and good reputation. A test for knowledge of trading practices and agency and contractual law must be taken. A continual upgrading of the standard for the written examinations is being made in the public interest to ensure that the overall level of competency in the industry is keeping pace with the responsibilities required. All registrants must renew their licences at May 1 each year. Additionally, every registrant must report each change of his place of employment during the year. During 1968 there were 22,263 registrations granted, including 3038 transfers of registrations.

Complaints

A complaints officer was appointed in January of 1967 to screen the complaints and ensure that complainants received proper service and is assisted by all members of the inspection staff in any matter requiring field investigation. The branch, in resolving the complaints received, finds that a few of them are due to poor communication leading to misunderstanding, but the majority seem to hinge on misrepresentation or sometimes withholding the little extra information that would have prevented the complaint having to be made. In those cases, the complaints officer endeavours to clarify the situation to the satisfaction of both parties. In a small number of cases, it is necessary to recommend that the courts resolve the disputes.

Foreign Land Subdivisions

Probably the least known area of responsibility, is that of foreign land subdivision sales. This covers all properties located outside the province. An ever-increasing number of Ontario residents are being introduced to subdivision lots in faroff lands such as Florida, The Bahamas, the West Indies, and Greece. All offerings of such lots must be preceded by the filing of a

subdivision prospectus with the Registrar and by the granting of a Certificate of Acceptance of the prospectus. The issuing of this certificate is to indicate to the buying public of Ontario that full disclosure of facts relating to the subdivision have been made. It should be pointed out, however, that the branch does not approve the merits of the offering being made. Thus it remains the sole responsibility of a prospective purchaser to decide as to the merits of the offerings.

An exhaustive investigation is made into the prospectus details, including title documents, engineering studies, financial statements, contract provisions, escrow agreements and a multitude of related documentation; then, ultimately, an on-site inspection of the subject lands is made to determine the physical characteristics of the property in relation to the prospectus information.

Only when all these items meet the provisions of the statute requirements is a Certificate of Acceptance issued. Certificates are valid for a period of one year, at which time an anniversary prospectus filing must be made, which may reflect changes that would require a further, thorough review of the original filing.

Statistics

January 1 to December 31, 1968

New Applications for Registration Received

Brokers (Branch Offices: 141)	609
Salesmen	6,931
	7,540

Examinations Conducted

Broker	589	
Salesmen	6,380	6,969

Registrations Granted

Brokers (Branch Offices 593)		4,550
Salesmen		
New	4,097	
Employment Transfers	3,038	
Re-Issues	10,578	17,713
		22,263

Registrations Suspended

Broker	—	4
Salesmen	—	
		4

Inspections

2,562

Complaints

Received	2,638
Finalized	2,603
Pending	35

Foreign Subdivisions Certificates of Acceptance issued

New	15	
Renewals	20	
Certificate Currently Valid		35

Used Car Dealers Section

Registrations

A staff of eleven, including the registration officer, maintains the registration of all used car dealers and salesmen in Ontario. The constant movement of salesmen inside the industry, or leaving it temporarily, creates a major work effort in keeping the registration record current at all times so that the Registrar, the complaints officer and inspectors can be supplied with up-to-the-minute data when required.

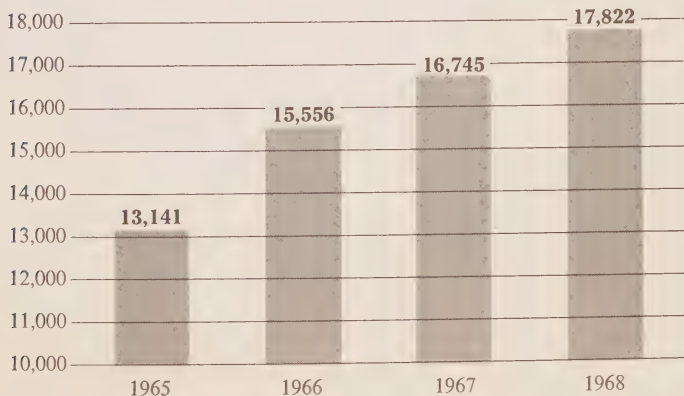
Inspection

Inspectors check the substance of complaints received by interviewing all the parties concerned, examining the dealer's records of the transaction and getting a report on the vehicle involved where this is a factor of the complaint.

The inspectors then compile detailed reports of their findings and opinions and these are reviewed by the chief inspector and the complaints officer. The Registrar is advised of the findings and may determine that it is necessary or desirable to interview the offending dealer or salesmen and call attention to their responsibilities under their registration. In serious cases a formal hearing will be called. A record of every dispute goes into the permanent complaint file of the dealer or salesman and should an accumulation of these occur then the complaints officer draws the Registrar's attention to the file when again the Registrar may determine to call the offender in for an interview or, on the basis of the nature of the complaints, call a formal hearing to determine if the registration shall be suspended temporarily or formally cancelled.

In 1967, 111 formal hearings were conducted. In 1968, this figure has increased to 182. Of this figure 78 dealers and salesmen were either suspended, their registration cancelled, or denied registration while 96 were granted only conditional registration or received a reprimand.

Number of registrations



Statistics	1965	1966	1967	1968
Registrations issued				
Dealers	2,985	3,363	3,440	3,513
Branches	187	254	233	217
Salesmen	8,916	10,208	10,774	11,624
Transfers (salesmen)	1,053	1,731	2,298	2,468
	13,141	15,556	16,745	17,822

Bonds forfeited

Dealers	2	7	8	9
Salesmen	0	1	5	7

Prosecutions

Dealers	0	4	3	5
Salesmen	1	1	1	0

Hearings conducted (Dealers and Salesmen)

	1965	1966	1967	1968
Decisions				
Number held	37	71	111	182
Denied	—	10	13	32
Cancelled	3	2	10	8
Suspended	—	8	3	38
Conditional registration	34	39	49	88
Severe reprimand	—	6	4	2
Reprimanded	—	6	11	6
Cautioned	—	—	9	2
No action	—	—	12	6

Credit Union Section

The section is charged with the administration of The Credit Unions Act and the supervision of all credit unions in the Province.

The supervision is effected by periodic routine and financial audit examinations, the approval or withholding of by-laws and by working closely with the four credit union Leagues in the province.

Examinations

These take the form of audit inspection of the accounts kept by each credit union. After each examination constructive criticisms are offered to the credit union concerned in the form of a letter to the president for study by the board of directors and officers at a board meeting to be called for that purpose. Examiners frequently attend this board meeting to explain the report and advise on desirable actions that must be taken. In many cases further visits are made to ensure that the examiner's recommendations have been understood and are, in fact, being implemented. The aim is to examine each unit every two years.

In 1967, 687 credit unions were examined, and in 1968, 608. These figures exclude special investigations or the checking of financial positions to support applications for by-law amendments, purchase of buildings, sale/purchase agreements, and other items requiring approval of the section.

Examination priority is given to those credit unions which do not employ external auditors and to those which have not established a long and substantial record of sound management. Because credit union leagues conduct examinations into the affairs of their affiliate members, every endeavour is made to avoid duplication. In practice, this means that Leagues and section examinations occur in alternate years.

A sound working arrangement has developed over the years between the section and the credit union Leagues, which ensures that the section's attention is drawn to any irregularities which may require investigation.

Incorporations

Charters are granted by the Department of the Provincial Secretary on recommendation of the Director of the Registration and Examination Branch to applicant groups whose members must have a common bond of employment or who reside in a well-defined geographical area. The common bond may be employment or membership in an association or parish.

Every application for a charter is investigated to ensure that the proposed operation is feasible and that the Bond of Association conforms to the co-operative principle of a common interest.

In 1968, 20 charters were granted, 35 charters cancelled and the credit unions dissolved.

By-Laws

An average of five by-law amendments are submitted daily for approval under section 16 of the Act. Many of these require special investigation by the examining staff and consultations between the supervisor and the applicants.

Personnel

The staff of the section consists of the supervisor, a chief examiner and seventeen examiners. Eight are based in Toronto and nine in the regional offices located at Windsor, London, Hamilton, Kitchener, Peterborough, Ottawa, North Bay and Port Arthur. There is a complement of 30.

Statistics

- a) Ontario and Quebec each account for approximately one-third of the 5,000 credit unions in Canada.
- b) Approximately one-fifth of Canada's four million credit union members are in Ontario and one-half in Quebec.
- c) The distribution of assets is consistent with the population.

	Credit Unions	Assets in Million \$	Credit Union Members (000)
Ontario	1,652	646	797
Quebec	1,705	1,540	2,180
Rest of Canada	1,576	768	986
	4,933	2,954	3,963

Quarterly statistics compiled by the Ontario Statistical Centre show that in the first nine months of 1968 the assets of Ontario credit unions have increased from \$648,942,000 to \$697,137,111 in the period.

Credit union charters

From the time the first credit union in Ontario was incorporated in 1928 until 1939, 25 charters were issued. From 1940 to 1950 there was an average number of 40 charters issued each year.

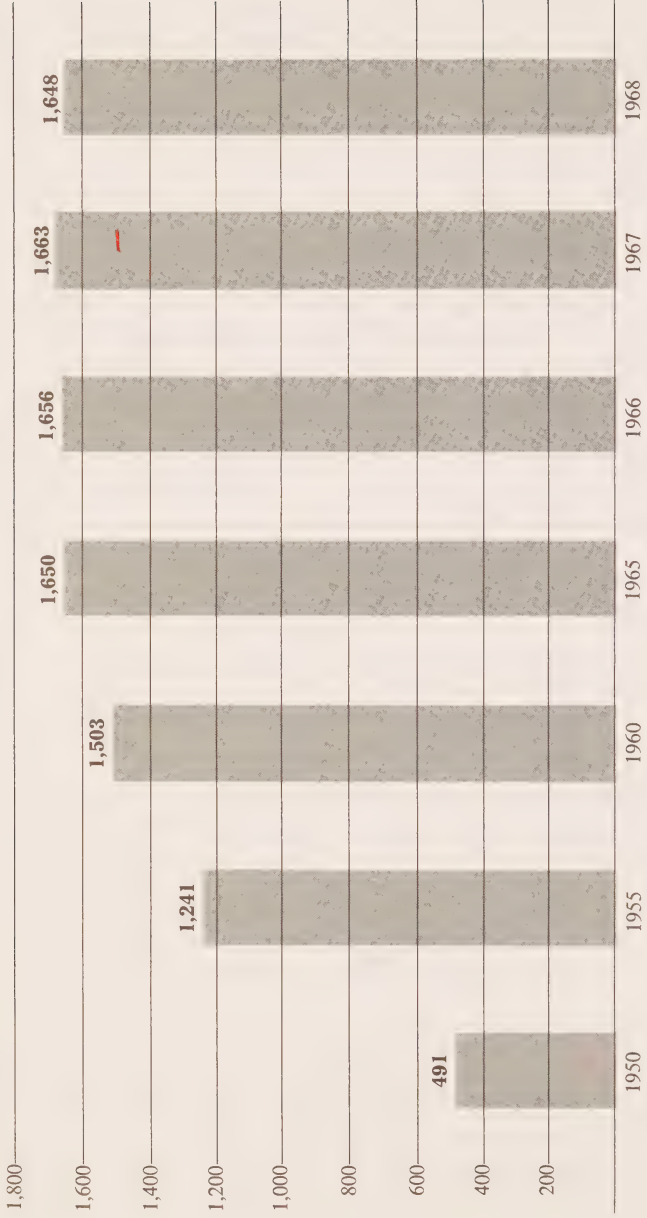
The following table shows the increase in credit union charters outstanding between 1950 and 1968, inclusive.

Year	Charters issued	Charters cancelled or surrendered	Charters outstanding Dec. 31	Credit unions reporting
1928 to 1950	436	—	436	—
1950	62	7	491	440
1951	105	5	591	—
1952	163	8	746	615
1953	161	—	907	830
1954	212	1	1,118	976
1955	145	22	1,241	1,150
1956	97	2	1,336	1,166
1957	77	—	1,413	1,193
1958	50	—	1,463	1,258
1959	56	30	1,489	1,291
1960	68	54	1,503	1,378
1961	46	23	1,526	1,319
1962	43	26	1,543	1,265
1963	64	25	1,582	1,326
1964	55	13	1,624	1,347
1965	49	23	1,650	1,303
1966	42	36	1,656	1,348
1967	37	30	1,663	1,515
1968	20	35	1,648	—
	1,988	340		

NOTE

Credit unions not reporting include inactive credit unions, those where dissolution is pending and those where charters were issued late in the year.

Charters Outstanding



The Cemeteries Branch

History

The powers and duties previously exercised by the Minister of Health were transferred to the Minister of Financial and Commercial Affairs with effect from January 1, 1968, and placed under the administration of the Director of the Consumer Protection Division.

The Cemeteries Act, R.S.O. 1960

The Act charges the administration with the control and supervision of all cemeteries and all funds existing appertaining to them. It requires that operators or owners provide the Branch with copies of all plans, rules and regulations, tariffs, deed forms in use in the operation of these properties, disclosure of their holdings of trust funds, details of the pre-need sale of services and supplies, the financial standing of the cemetery, and information on the availability of burial space. The Act also governs the operation of any ancillary services provided by cemetery operators in the form of crematoria, mausolea, columbaria, or urn gardens.

Branch Complement and Functions

The complement of the branch provides for a trusts officer who is responsible to the officer in charge for the examination of and checking of trust accounts before they are presented to a Judge of the Surrogate Court for approval of the examination of the annual returns for pre-need and perpetual care accounts called for under the Act. This examination insures that the percentage of sales is in accordance with the tariff of rates filed with the Department, that the funds are properly invested and held by an authorized agency.

The supervisor of field staff assigns districts to the counsellors (as the examiners are titled) and trains and advises the staff in their duties and responsibilities as counsellors under the Act. The counselling staff, in carrying out their counselling, inspection and regulatory duties, work directly with the owners or operators of the cemeteries in their assigned district. In addition to ascertaining the degree of compliance with the terms and requirements of the Act by each cemetery operator, the adequacy, accuracy and maintenance of the record system is assessed along with the financial status, including examination of the trust account records. Counselling assistance is provided for all aspects of cemetery operation and has shown itself to be particularly useful in areas where an outside analysis of problems can be helpful. In many cases a cost study of the operation is conducted before suggestions and observations are made. In other cases an examination and review of the bookkeeping procedures and record-keeping has materially assisted in improving poor situations. The up-dating of systems by the introduction of simple mechanical aids has also been suggested where there is a substantial work load.

Activities 1968

During the year under review:

Fifty sets of trust accounts were examined preparatory to being presented to a Judge of one of the Surrogate Courts

Twelve citation orders were issued to cemetery owners to require them to bring in their accounts for examination and presentation to the Surrogate Courts

Twice a member of the supervisory staff appeared with a solicitor from the office of the Public Trustee to assist in the passing of accounts in the Surrogate Courts.

The supervisory staff spent 116 days in the field and there were 271 interviews or special investigations held, 17 council cemetery board meetings attended, and 153 interviews were conducted at the office with cemetery officials, 153 field visits carried out and 161 cemeteries (83 active and 78 abandoned) inspected. Included in this total were 16 additional abandoned cemeteries which had not previously been recorded.

Filings accepted and approvals issued during the year were, as follows:

Plans	53
Rules and Regulations	44
Tariffs	149
Deeds	33
Establishments	6
Extensions	8
By-laws (Municipal)	15
Form 1	11
Form 2	186

Complaints

Nine specific complaints were lodged regarding the installation of tombstones or markers, failure to use a rough box, lack of maintenance and resale of a lot. There were two complaints regarding contract forms and over-charging. All of the many other minor complaints received were resolved to the satisfaction of the complainants.

Cemeteries in Ontario

The 4244 cemeteries in Ontario include:

Considered abandoned	786
Owned by municipal corporations	532
Under the ownership of religious organizations	1,882
Owned by plot owners	764
Miscellaneous ownership (private (family) or unknown owners)	245
Commercially operated for gain	35

Of the religious group the breakdown into denominations is as follows:

United Church of Canada	552
Anglican Church in Canada	366
Roman Catholic	485
Baptist	55
Presbyterian	137
Evangelical United Brethren	49
Lutheran	99
Jewish	38
Jewish Orthodox	6
Mennonite	47

Miscellaneous (Independent Protestant, Christian Church, Quaker, Pentecostal, Salvation Army, Gospel Hall, United Missionary, African Methodist Episcopal.)	48
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1,882

The Consumer Protection Bureau

The bureau administers the consumer credit legislation known as The Consumer Protection Act, 1966, which came into force July 31st, 1967, comprising:

- registration and bonding of itinerant sellers;
- “cooling-off” period for cancellation of executory contracts over \$50.00 signed within the itinerant selling category;
- full disclosure requirements in executory contracts exceeding \$50.00;
- rebates for prepayment of time-payment transactions and restrictions on reposessions;
- control of misleading advertising.

Additionally, the bureau’s duties include:

- educating the public in consumer credit and protection;
- promoting and assisting credit counselling services;
- receiving and investigating complaints from consumers.
- enforcing legislation for the protection of consumers.

Shortly after the new legislation became effective it was apparent that the principle, intent and purpose had been generally accepted by industry and commerce. It was also evident that there was an overall compliance, following an adjustment period and discussions with those concerned. Nevertheless, it was also noticeable that the control of itinerant sellers was still inadequate. Under the original legislation, for a contract to be classified as an itinerant sale, it had to contain a cost of borrowing. Some itinerant sellers began to circumvent that requirement by demanding payment on delivery of goods, either by postdated cheques or by cash to be obtained by the consumer through a loan they were requested to negotiate with lending institutions. Consequently, as no credit had been extended, within the terms of the actual contract, the sale did not fall within the definition of an itinerant sale and was, therefore, not cancellable, as the legislation intended. Similarly, composite purchases were being stated in contracts as one lump sum value. These practices required counteraction if the intent of the legislators of Ontario was to be met.

Accordingly, an amendment was enacted on July 23rd, 1968, which provided that any soliciting, negotiating or arranging of a sale or service away from a seller’s permanent place of business would be classed as itinerant selling if the contract exceeded \$50.00 and indicated delivery, performance, or payment in the future. The previous requirement that a cost of borrowing was the determining factor no longer applied. The amendment further required that the basic components of the goods or services sold under such an executory contract had to be itemized and individually priced in the contract. These changes were considered essential and in keeping with the principle of the original consumer protection legislation for full, fair and honest disclosure to the purchaser.

Personnel

The staff complement of the bureau is now 12, consisting of the Registrar, Deputy Registrar, Registration Officer, three investigation officers, and six persons in secretarial and clerical positions.

Registration

Any business that includes soliciting, negotiating or arranging sales away from its permanent business premises for the sale of goods or services, and where a contract exceeding \$50.00 is signed providing for delivery, performance or payment in the future is now classed as an itinerant seller and must be registered and bonded. All companies, partnerships and sole proprietorships must be registered and not their individual sales representatives whose actions and performance are the responsibility of the registrant in every instance. The onus is, therefore, placed on those selling in the itinerant manner to apply for registration, as any complaints received from consumers may place the non-registrant in jeopardy as he has acted contrary to the legislation. The number of registrations is increasing steadily, as the requirement of the amended legislation becomes more widely known and understood. Undoubtedly, consumers are deriving benefit from the provision that a contract signed with an itinerant seller is subject to a "cooling-off" period of two working days during which the contract may be cancelled or rescinded.

Complaints

Enquiries and complaints directed to the bureau during the first full calendar year of its operations have varied widely in significance, importance and complexity. They have ranged from the sale of defective goods and services, misleading and deceptive advertising, abusive and offensive selling practices, including cases with a fraudulent flavour, to requests for guidance in proposed purchase transactions.

Experience shows that the overwhelming majority of businesses and industry conduct themselves with integrity, pride and due regard for their name, as well as for the interests of the prospective purchaser or borrower. Most complaints relate to that fringe element of the business community which relies on employing misrepresentation, deception or other means to exploit the unsuspecting public.

Consumer problems referred to the bureau are, for the most part, effectively resolved without extensive investigatory procedures and by mediation between the parties involved. But where substantial investigation is necessary or where deemed essential, not only to have the immediate complaint adjusted, but also to prevent further public abuse, then no effort is spared to remedy the situation.

To be effective, an unbiased approach is taken in any mediation, as "buyer's remorse" or revenge are sometimes the motivating force and objective of the consumer. Accordingly, all complaints must be submitted in writing giving all the pertinent facts and enclosing relevant documents. Grievances of a frivolous nature are not accepted and little sympathy is shown in such instances.

Education and Communication

There is a growing awareness of the work of the bureau and of the legislation, through the dissemination of information by pamphlets, public addresses, conferences, radio and television interviews and press articles.

Prepared addresses on consumer protection were delivered on the average of once a week during the past year by staff members of the bureau and, in addition to this expanding segment of our education program, Division personnel participated as discussion panelists on several occasions. Whenever the opportunity presented itself, aid was given to educationalists engaged in the preparation of study programs in money and credit management and related topics.

Liaison

The effectiveness of the bureau, in its daily endeavours to protect the consumer, is dependent on maintaining active dialogue with the various sectors of the business community and those organizations directly and indirectly interested in the well-being of the public and the changing marketplace. The co-operation and close liaison of industry, business associations, consumer groups, the press, the police, the government departments both provincial and federal, the Better Business Bureaus, the Chambers of Commerce and other bodies, has been most useful. Significantly evident and encouraging is their willingness to assist the bureau in the mediation of disputes, obtaining redress when warranted and, as well, in the many measures taken by them to protect consumers from the unscrupulous element.

Statistics

Statistics provided elsewhere in this report, while illustrating numerically the volume and types of complaints received, adjusted or still under active investigation, do not indicate the extent of effort required to obtain satisfaction or redress for complainants. Consultation with the parties involved will often result in immediate and acceptable solutions of many cases. On the other hand, investigation of more complex cases may involve several days, weeks or months, including many letters, conferences and other processes before they can be solved and this time factor is not apparent.

Statistics

Registration

January 1 to December 31, 1968

Itinerant Sellers 602

Cancelled (Bond cancellations by bonding companies or business discontinued for other reasons) 13

589

Summary of Complaints

Received January 1 to December 31, 1968

Classification	Number	As Percentage of Total
Advertising	25	2
Apartment Rental Security	78	4
Deposits and leases		
Appliances and Furniture (excluding T.V.'s, Freezers, Vacuum Cleaners, Sewing Machines and Housewares)	172	9
Clothing Stores	41	2
Dance and Health Studios	60	3
Education Courses	40	2
Finance and Lending Agencies	161	9
Freezer and Food Plans	128	7
Home Driveway Paving	89	5
Home Improvements & Repairs	80	4
Hearing Aids	22	2
Housewares	38	2
Magazines and Books	238	13
Moving and Storage	14	1
Record Clubs	10	1
Rugs, Floor Coverings and Drapes	129	7
T.V. Sales and Service	26	2
Vacuum Cleaners & Sewing Machines	44	2
Miscellaneous	439	23
	1,834	100

Summary of Complaints

Complete Redress	653	43
Partial Redress	244	16
No Redress	292	19
Referred Elsewhere	61	4
Unjustified	226	15
Consumer Discontinued	41	3
	1,517	100
Still Pending	317	
	1,834	

Advertising Contraventions

Section 26

Inadequate information of cost of credit 41

Section 31

False, misleading or deceptive

Cessation orders issued 5

A number of other cases resulted in voluntary withdrawal by the offending advertisers.

Upholstered and Stuffed Articles Branch

Originally enacted under the Public Health Act and under the jurisdiction of the Department of Health, the responsibility for this legislation was given to the Department of Financial and Commercial Affairs on September 1, 1968 and placed in the Consumer Protection Division.

This branch is actively engaged in the control of standards for the quality of materials used as stuffing or padding in upholstered and stuffed articles which are offered for sale to consumers in the Province of Ontario.

Upholstered and stuffed articles offer considerable opportunity for deception by unscrupulous operators and only by maintaining constant vigilance is the branch able to assure the people of Ontario that when they buy a mattress, a doll, a chair, a quilt-lined coat or any other articles containing hidden filling materials, they are buying an article which contains only new, clean stuffing or filling material, properly identified and made by a reputable manufacturer.

Future planning includes a more detailed description of filling material identification. This will give a better opportunity, to the buying public of Ontario to know "what's inside" and offer less opportunity to some registrants to mislead the public.

In conjunction with the Ontario Research Foundation, plans include a more up-to-date system for testing and analysing filling materials; one which will eliminate some of the difficulties being experienced and give clear-cut answers as to the type and condition of many of the newer materials which are finding their way into use as stuffing materials today.

Inspection

The inspection staff assigned to this work are located in various centres across the Province and are responsible for enforcing the Act and regulations in their defined territories. They inspect premises where stuffing and filling materials are processed, visit manufacturers of upholstered and stuffed articles and renovators and repairers of mattresses, pillows and upholstered furniture. These inspections are to see that only new, clean materials are processed and used as stuffing. Where any doubt exists as to the acceptability of materials, samples of these are taken and submitted for analysis and the batch impounded until found acceptable. In event of rejection, its destruction is supervised.

The inspection staff opens up articles, examines the filling materials and, where necessary, submits samples for analysis. Based upon this examination, upholstered and stuffed articles may be approved for sale or condemned as unfit for sale. The inspectors work closely with retailers, wholesalers, importers and others concerned with direct sales to the public. In cases where articles are rejected they ensure that such articles are not sold in the province.

Number of Inspections made in 1968

4532.

Registration

Manufacturers and renovators of stuffed articles who operate in or whose goods are sold in Ontario, must be registered with the branch and pay an annual registration fee. Each registrant is issued a registration number which is required to appear on each article produced by them for sale in this province.

Number of Registrants 1968 1873

Labelling

The labelling of this type of goods is a familiar item to Ontario residents. It requires that each article, whether it be second-hand, renovated, or new, have a label attached stating the type of filling material used, or stating the condition of the article. In the case of second-hand goods, the seller's name must also be on these labels. This registrant's number gives the inspection staff a positive identification as to the source of the goods.

Complaints

Complaints from members of the public or from within the industries are investigated and the branch makes every attempt to resolve complaints and to satisfy the complainants. These may be concerned with poor workmanship, odorous materials, insect infestations, deceptive practices, misrepresentations and many other matters.

Statistics

Registrations

January 1 to December 31, 1968

Ontario:	Manufacturers	446
	Renovators	694
Other Provinces:	Manufacturers	375
Other Countries:	Manufacturers	358
		1873

Inspections

Manufacturers	961
Retailers	1950
Sundry Operators	1621
	4532

Material samples submitted for laboratory test 411

Complaints 169

January 1 to December 31

Note: None were regarding infractions of existing regulations.

Prosecutions

For period September 1 to December 31

Violation of the Act 3

Consumer Protection Conferences . . .

There was wide public response during the year to Consumer Protection Conferences sponsored by The Department of Financial and Commercial Affairs. The photographs opposite indicate in some measure the degree of interest shown.



NORTH BAY



NORTH BAY



CHENER



WOODSTOCK



LAKEHEAD

Public Information Services

During the calendar year of 1968 five seminars were held in the Lakehead—Woodstock—North Bay—Kingston—and Kitchener-Waterloo regions.

Purpose

Consumer protection education programs serve a double-barrelled purpose. Each brings to people, in a personal way, exposure to legislation now in existence in the province. They act as a medium through which the department can communicate the meaning and intent of the law to as many people as possible. This, in effect, brings a vital government service directly to the people. The programs or seminars are also places where a cross-section of community groups can meet and discuss the problems and pitfalls which face consumers in their day-to-day purchasing of goods and services.

A wide range of delegates representing diversified community organizations and individual consumers form the working audience at each session. Always included in the invitation list are a number of students who are given the opportunity to become informed in the fundamentals of day-to-day living and control of their personal money matters.

Program

Each seminar has comprised a two-day project with a high degree of audience participation. At the first morning session each registrar of the various sections dealing with consumer affairs presents an address outlining the scope of the legislation in his respective area of responsibility, how it is administered, and how this legislation is there to help the public. The afternoon session of the first day is assigned to workshop discussion groups. These forums assist in getting views and messages across and encourage a consensus of opinion on each subject raised. They are structured to provide an opportunity and an atmosphere for the delegates to engage in uninhibited discussion with free-flowing expressions of thought.

The second day session commences with a panel of speakers chosen for their recognized ability in fields related to consumer affairs. Each panelist makes a short presentation of his viewpoint. This is followed by a question and answer period.

Results

General reaction has indicated that through these seminars, and the discussions they generate, the Department has disseminated much information. It is also noteworthy that departmental personnel have in return derived a good deal of valuable information and reaction from members of the public.

Conclusions

The first five pilot seminars have successfully involved a sampling of the people of Ontario in the Department's activities. The aim has been to tell a story and, at the same time, listen and learn from those present.

It is interesting to note that although each of the seminars was held in vastly different geographical areas of Ontario, where the people's interests, job opportunities, customs, and habits varied considerably, the workshop expressions of opinions followed a very similar pattern, with many of the same views being expressed frequently in each region.

Other Endeavours

In order that the effect of the seminar program can be extended to those who may not be able to attend, an effort is being made to establish effective liaisons with communities that will lead to speakers being invited to address specific groups on the Department's function. This supplementary program is organized by the public information service, which not only guides qualified speakers to all groups seeking this service but also distributes a series of pamphlets designed to explain the purpose of the legislation in layman's language. To sum up, it is the Department's desire, starting from the initial exposure at the local level, to establish a continuing flow of information and service to the public in Ontario in their interest.

During 1968 there were various public speaking engagements undertaken by the staff of the Department, as follows:

Main Office Division	27
Consumer Protection Division	88
Ontario Securities Commission	54
Insurance Division	20

189

Insurance Division

The Department of Insurance was founded in 1879 to ensure that insurance companies conducted their business in accordance with the regulations of The Insurance Act and, in the same year, it was also given the responsibility of supervising those companies subject to The Loan and Trust Corporations Act.

In 1966 the Department was transferred from the Attorney General's Department and became a division of the Department of Financial and Commercial Affairs.

While these two functions still constitute the major part of the division's operations, it is also responsible for the administration of certain other acts.

As a consequence of the extra responsibilities delegated to the Division, the need for more detailed examinations of the companies supervised, the increasing volume of business in Ontario, and of the increase in the number of loan and trust companies registered from 36 in 1958 to 53 in 1964 and 56 in 1968. The complement of the division has increased from 21 in 1939 to 29 in 1964 and now numbers 48. Practically the whole of this increase is in professionally qualified personnel to conduct the necessary examinations.

THE SUPERINTENDENT OF INSURANCE

The Insurance Act

Licensing

The Superintendent has general responsibility for supervising insurance within Ontario. Insurance companies, agents, brokers, salesmen and adjusters may transact business in the province only after a licence has been granted by the Superintendent.

(i) Company Licences

Companies are licensed after inspection and examination of their annual returns.

The Superintendent must be satisfied as to the financial adequacy of each company, its ability to satisfy legitimate claims and that the company is acting in accordance with the regulations of The Insurance Act.

Number of Company Licences in Ontario - 1968

Registered and inspected by the Federal Department of Insurance	386
Mutual Benefit Societies	73
Farm Mutual Fire and Weather Companies	62
Ontario incorporated companies selling life, fire, automobile and general insurance policies	36
Companies incorporated in other provinces selling similar classes of insurance	12
	569

(ii) Other Licencees

Licences to agents, brokers, salesmen and adjusters are issued only after the Superintendent is satisfied as to the applicant's honesty, integrity and suitability and (except in the case of life insurance agents who must pass approved company examination) has passed a qualifying examination.

Number of other Licencees in Ontario - 1968

Life Insurance Agents	12,662
Non-life Insurance Agents	8,359
Adjusters	954
	21,975

Industry's Growth

The Superintendent of Insurance publishes an annual report showing the financial statements of provincial insurers and detailed statistics of all licensed insurers operating in Ontario. The following extracts from these reports indicate the growth of the industry in the province:

(i) Life Insurance

Net Premium Income

	1967	1966	1965	1960	1950
Total	\$603,422,069	\$579,356,379	\$576,437,454	\$417,401,158	\$196,819,222

Policies in Force

No. of Policies	4,472,330	4,445,480	4,418,398	4,355,854	3,854,234
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Gross

Value	\$37,843,640,487	\$34,401,815,329	\$31,216,974,773	\$20,130,320,284	\$7,564,184,118
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(ii) Other-than-Life Insurance

Net Premiums Written

Auto	\$299,408,495	\$264,007,671	\$225,059,453	\$128,235,639	\$ 44,114,952
Fire	\$123,246,443	\$112,038,651	\$104,163,799	\$ 92,026,719	\$ 48,088,382
Other					
Classes	\$286,794,215	\$257,376,642	\$226,004,966	\$143,006,511	\$ 48,310,550

Complaints

The Superintendent frequently has cause to intervene on behalf of an insured person against an insurance company. These complaints concern disputes as to liability, values, delays in settlement, the amount of premium refunds on short-term cancellations, and claims past the prescription date, all receive careful attention.

Other Acts

In addition to the supervision of insurers, the Superintendent is responsible for:

(i) The Investment Contracts Act

Companies which issue investment contracts, are required to be registered, to file annual financial returns and maintain adequate reserves for the eventual payment of their outstanding contracts. There are three companies presently registered with total assets of 280 million dollars. Persons selling investment contracts are also required to be registered with the Superintendent in the manner required for other sellers of insurance.

Number of registered salesmen 1968

414

(ii) **The Prepaid Hospital and Medical Services Act**

Incorporated companies operating non-profit prepayment hospital and medical plans are required to register and file annual financial returns with the Superintendent. They are examined periodically to ensure financial adequacy, proper method of operation and that contracts with hospitals, physicians or others rendering services and contracts with subscribers are fair and reasonable. The annual premium income of these groups is approximately 150 million dollars.

Number of groups registered 1968

40

(iii) **The Marine Insurance Act**

Generally, the Act purports to codify those principles of law which relate exclusively to marine insurance. It is principally concerned with matters relating to insurable interest, nature of the contract, policy form and warranties. It does not provide for any registration or licensing.

The Registrar of Loan & Trust Corporations

The Loan and Trust Corporations Act

The Superintendent of Insurance is also the Registrar under The Loan and Trust Corporations Act. He is responsible for the general supervision of loan and trust companies in Ontario.

Registration

All loan and trust companies doing business in the province are required to register under the provisions of the Act.

Number of Corporations Registered in Ontario - 1968

	<i>Trust</i>	<i>Loan</i>	<i>Total</i>
Ontario Incorporated	16	11	27
Federal Incorporated	7	8	15
Extra-Provincial	8	3	11
Foreign	3	—	3
	34	22	56

Note: Fourteen of these loan companies and thirteen of the trust companies have been incorporated in the past 10 years.

Supervision

Supervision is carried out by an analysis of the annual and other financial statements filed by the companies. An annual examination of the Ontario incorporated companies is also made by the staff of the Registrar. These examinations include a review of the company's financial condition and business practices and a determination that the company is operating within the provisions of the Act.

Industry : Growth

The Registrar of Loan and Trust Corporations publishes an annual report showing the financial statements and detailed statistics of all registered companies. The following extracts from these reports give some indication of the growth of the industry:

	1967 \$	1966 \$	1965 \$	1960 \$	1950 \$
Loan Corporations					
Deposits	425,428,000	439,616,000	398,828,000	140,927,000	89,074,000
Deben- tures	1,166,094,000	985,435,000	861,897,000	355,748,000	116,705,000
Trust Companies					
Deposits	1,139,968,000	1,112,093,000	1,070,378,000	416,647,000	152,749,123
Guaranteed Invest- ment Certifi- cates	2,404,678,000	2,130,835,000	1,827,498,000	687,068,000	165,984,000
	5,136,168,000	4,667,979,000	4,158,601,000	1,600,390,000	524,512,000

Ontario Securities Commission

Introduction

The responsibility for the administration and enforcement of The Securities Act, 1966, its regulations, and the parallel disclosure requirements of the Ontario Corporations Act falls to the Ontario Securities Commission. This legal framework enables the Commission to establish policies and procedures the more effectively to carry out the intent of the legislation by providing public protection and information, thereby enhancing confidence in the market place. The legislation provides the Commission with broad ranging powers which ensure both independence and freedom of action.

Organization

The Commission and its staff presently number 85. The executive direction is provided by the Chairman who, together with the Vice-Chairman, devote their full time to the work of the six man Commission. The other four members devote such time as is necessary to their duties. The chief administrative officer is the Director. Under his immediate supervision are the four operating sections - administration, registration, prospectus and enforcement. The first three sections are headed by Deputy Directors while the latter is lead by the Chief Legal Investigation Officer.

1968 Amendments

The definition of "security" was amended to include scholarship funds. Since September these must be the subject of a prospectus and the persons selling them must hold registration.

The definition of “insider” was broadened to include parties who, while not being the beneficial owners, exercise control or direction over equity shares carrying more than 10 per cent of the voting rights. Thus, many trustees found they had become insiders.

A re-alignment of responsibilities took place when the power to suspend or cancel registrations was assumed by the Commission. To cope with this added duty the Commission was given the right to assign its powers, excepting the power to order investigations or to hear appeals by way of hearing and review, to a single Commissioner. An appeal from that Commissioner’s decision lies with the Commission as a whole and the Commissioner appealed from may not sit on the appeal. As previously, appeals may be taken in all but one case to the Court of Appeal.

Two new powers were introduced. The first permits applications to the High Court for an order requiring compliance with the Act or regulations or restraining further violation of any of them. This provides an alternative to prosecution. The second enables the Commission to suspend all trading in specific securities where the circumstances required such action. This enables, for instance, trading to be stopped temporarily when extraordinary trading patterns or prices develop as a result of misleading or incomplete information or no information. The publication and dissemination of accurate information can be required before the trading is permitted to resume.

The Commission no longer has to obtain the consent of the Minister before issuing investigation orders. The Minister still retains the power to direct an investigation to be conducted for the due administration of the Act.

A special form of financial reporting for mutual funds was inserted into the financial disclosure sections of Part XII.

The regulations were amended to provide special requirements for finance companies including a sophisticated form of half-yearly financial reporting, minimum terms for trust indentures, the definition of the duties of trustees under such indentures and the manner in which they can fulfil them.

Commission Hearings

The Commission continues to hold its regular hearings each Thursday. It has assigned in general terms its powers to grant exemptions under the proxy solicitation, insider trading and financial disclosure parts of the Act to the Director. Notwithstanding this, the new responsibilities coupled with an increasing number of applications of many kinds makes it usual for two panels to sit on many Thursdays. The Commission or individual Commissioners frequently sit on other days.

Schedule 1 indicates the range of the Commission’s activities and the numbers of decisions rendered during the past year.

Director’s Office

The Director and his Deputies exercise many powers in relation to applications for registration and filings. The ultimate sanction is to refuse to

grant registration or accept a prospectus for filing. In addition the Director exercises the powers assigned to him by the Commission.

Schedule 2 gives details of the formal actions taken by the Director. Schedule 3 provides statistics as to the work of the Deputy Director, Registration. Schedule 4 sets out the numbers of filings processed by the staff of the Deputy Director, Filings, their kinds and the value. Schedule 5 gives a summary of the work of the office of the Deputy Director, Administration in the areas of insider trading and financial disclosure reporting. Schedule 6, in statistical form, indicates the numbers and varieties of matters dealt with by the Chief Legal Investigation Officer and his staff by way of investigations, prosecutions and other court appearances, as well as administrative proceedings.

Cansec - Canadian Securities Administration

The move towards national uniformity took a further step forward with Manitoba's new securities legislation which followed the Ontario Act. When the Manitoba Securities Commission comes into being early in 1969 all of the provinces from British Columbia east to Ontario will have substantially the same legislative standards.

In October, through a Federal-Provincial Conference, the federal government announced that they proposed introducing legislation to establish a federal securities commission. Ottawa accepted some of the principles proposed by Ontario in its Cansec brief but rejected the premise that national securities administration should be under the joint sponsorship of the provinces as well as the federal government. Three alternative suggestions which might be adopted by an individual province were offered. However, no details were offered for consideration and study.

Ontario continues to believe that the national interest requires co-operation and good will amongst all the jurisdictions involved. Short of abdicating its responsibilities it will continue to work to this end.

Centennial Essay Contest

The response to the Centennial Essay Contest for Canadian law students on the subject of constitutional problems and securities regulations was most rewarding. Four prizes of \$250.00 each were awarded. Two went to students at Queen's University, another to an University of Montreal and an University of Toronto student. The quality of scholarship was high. The prize winning essay from the University of Montreal was submitted in French. Dean Gerald E. LeDain, Q.C., of the Osgoode Hall Law Faculty was the final judge.

Policy Statements

The Commission, for greater certainty and in order that its views might be known, has made statements on a broad range of subjects during the past year. While it has not hesitated to take action where the circumstances dictated it has aimed at enforcement through education, continuing study

and research, discussions with all segments of the investment community, liaison and meetings with the Canadian provincial securities administrators as well as the North American securities administrators and, participation as speakers or panelists at gatherings throughout Ontario. With the response from the policy statements and decisions the Commission hopes to be able to anticipate and better serve the needs of all segments of the public.

The "timely disclosure" policy, which was worked out in consultation with the Toronto Stock Exchange, illustrates how education rather than legislation aimed at enlisting the aid of responsible corporate management provides a first step in the Canadian context to achieving a satisfactory standard of public corporate disclosure of significant developments. Where these standards are not attained trading may be temporarily stopped until the facts are ascertained and made public.

The Commission has also commented in its Weekly Summary and Bulletin on such topics as the too frequent transfer of salesmen, the statutory requirement that customers declare their short positions both as to listed and unlisted securities, its position concerning dual registration under the Act, the prohibition of commingling of funds and securities by mutual fund sales companies, a word of caution as regards advertising in national publications for issues which have not been qualified for sale in Ontario, the procedure upon applications and hearings before the Commission, a statement as to who is deemed to be an "acceptable mining engineer, geologist or other qualified person" for the purpose of preparing a report which is to accompany a prospectus, and information concerning changes in the Act or the regulations.

Publications

Believing that the timely disclosure of its policies and decisions, the preliminary and final prospectuses and amendments filed, the changes in principal registrants, notices that primary distribution have ceased, that information concerning particular companies has been received should quickly become a matter of public information, each Monday a weekly summary of these activities up to the close of business the previous Friday is published. The Commission's monthly Bulletin contains the insider trading summary for the previous month together with reasons issued by the Commission and the Director, new policy statements, and other matters of continuing interest. Despite the fact that the insider trading reports for the previous month are not due until the 10th of the month the Deputy Director, Administration, normally has the bulletins in the mail by the 25th.

The financial reporters of both the daily and weekly papers have been most helpful in disseminating important developments to the public. A sophisticated financial press is an important voice. The Investment Dealers' Association of Canada, Toronto Stock Exchange, Broker-Dealers' Association of Ontario, and Canadian Mutual Fund Association have also been most helpful in ensuring their members are kept informed of developments.

Public Files

A public file is maintained for each issuer whose securities have been the subject of a filing or are listed on the Toronto Stock Exchange. The insider trading reports, financial statements, informational circulars and other information filed with the Commission are contained in these files and available for public search. We are pleased to note that more frequent reference is being made to these files by the public indicating a more wide spread understanding of the kinds of information now available and the significance of it.

Report of Commissioner D. S. Beatty - Mining Committee

In September, Commissioner Beatty's report on several matters related to the financing of mining exploration and development companies was published. The Commission immediately acted upon his recommendation by reducing the price spread, that is the price paid to the company for its securities and the maximum price at which they might be offered to the public, by a minimum of 50%. Active efforts are underway to design some practical method, through a central agency, to collect information concerning the prices and volumes of trading in unlisted securities.

Certain recommendations, including the short form prospectus and the "evergreen" prospectus, we are now advised by the legislative counsel's office, will require amendments to the Act. The staff are proceeding with recommendations as to methods of dealing with the other subjects of the report. The object is to aid the bona fide prospector and developer and at the same time ensure that an equitable amount of the money goes into the property.

Canadian Mutual Funds Committee

This committee, jointly sponsored by the provinces and the federal government, have now completed their comprehensive study of Canadian mutual funds, investment companies generally, and the similar investment trusts and variable annuity plans sponsored by trust and insurance companies. It is anticipated that the report of this committee will be brought down during the first quarter of 1969. Commissioner Gordon E. Grundy, formerly Vice-Chairman of the O.S.C. and now Superintendent of Insurance for Ontario, and Registrar of Loan and Trust Companies, is the Chairman of this Committee.

Lectures and Enforcement Seminars

The Commission has been pleased to have its members and staff participate as lecturers and members of panels in information, education and enforcement seminars. Talks on the work of the Commission have been given to a variety of clubs and organizations. They have discussed the work of the Commission with students at McMaster University, University of Toronto and Osgoode Hall. They have assisted in training programmes and enforcement seminars conducted at the Ontario Police College, the Securities

and Exchange Commission in New York, and the Royal Canadian Mounted Police's new Commercial Fraud Group amongst others. A continuing internal research, development and training programme has also been instituted.

Under Study

A comprehensive study involving capital requirement and procedures, business records and accounting procedures, bonding and insurance, and contingency funds for registrants is well towards completion. The Commission is studying the role of the exempt purchaser and the effect of private placements on the market place. The results of these and other studies underway will be published as completed.

Statistics

January 1 to December 31, 1968

Schedule 1	Disposed of Throughout the Year	Outstanding December 31
Appeals from Director, Deputy Director or Commissioners —		
Section 28 and Section 3(3) —	23	6
Hearings as to Fitness for Continued Registration — (Section 8 - since July 1, 1968)	34	5
Applications for Exempt Purchaser Status - Section 19(1) 3 —	27	3
Denial of Exemption Hearings — Section 19(5) & (6)	11	4
Application for Exemptions from Prospectus or Registration Re- quirements - Section 20 —	0	0
Investigations Ordered — Section 21(1) & (2) —	10	23
Orders to hold or refrain from dealing with funds or securities — Section 26 —	3	4
Application for appointment of receiver, manager, or trustee — Section 27 —	0	0

(Schedule 1 — Continued on Next Page)

Schedule 1—(Cont'd.)	Disposed of Throughout the Year	Outstanding December 31
*Applications for Determination as to Questions Involving Possible Primary Distribution to the Public — Section 59 —	207	14
Hearings as to Ceasing Primary Distribution to the Public — Section 62 —	1	0
Hearings re Orders Suspending Trading in Specific Securities — Section 141b (since July 1st amendment)	11	0
Applications for Release from Escrow —	21	0
Policy Decisions and Other Matters —	9	0

**All decisions of the Commission, excepting those made under Section 59, may be appealed to the Court of Appeal. During the year only one appeal was taken and one motion for prohibition. Both the appeal and the application were subsequently abandoned.*

NOTES: The following matters have been assigned to the Director pursuant to Section 4 (being dealt with by him initially with an appeal lying to the Commission pursuant to section 28):

- [1] Objecting to or accepting the terms under which a company intends selling-additional securities to its own security holders — Section 19(1) 8 iii.
- [2] Exempting orders pursuant to sections 103, 116 and 131 to companies, persons or insiders from the proxies and proxy solicitation requirements of Part X, insider trading reports in Part XI, or Financial Disclosure requirements of Part XIII. These orders seldom are complete exemptions but rather permit alternative forms of reporting in accordance with the laws of the incorporating jurisdiction.
- [3] Approving or rejecting requests for transfers within escrow.

Schedule 2

Director

January 1 to December 31, 1968

	Disposed of Throughout the Year
Hearings as to Fitness for Registration — Section 7	22
Hearings as to Fitness for Continued Registration Section 8 (up to June 30th)	9
Applications for Orders under Powers assigned by Commission	0
Proxies and Proxy Solicitation (Section 103)	52
Insider Trading Reports (Section 116)	49
Omitting Gross Sales (Section 121 (3))	3
Financial Disclosure (Section 131)	34
Transfers within Escrow	151
Finance Companies Designated (July 1st on)	74
Other Matters	0

Schedule 3

Deputy Director, Registration

January 1 to December 31, 1968	Registered - January 1	Registered December 31
Brokers (Members T.S.E.)	(Incl. 2 M.S.E.) 95	(Plus 2 M.S.E.) 21
Broker-Dealers (B.D.A.)	(Plus 23 Non-Mem's) 64	41
Investment Dealers (I.D.A.)	(Plus 22 Non-Mem's) 94	42
Brokers and Investment Dealers		(Plus MSE & IDA 1) 48
Brokers, Brokers-Dealers and Investment Dealers		(Plus 1 T.S.E., I.D.A., Non- member Broker Dealer) 2
Brokers and Broker Dealers		13
Securities Dealers		(Plus 3 T.S.E., Non- member Broker-Dealer) 11
Mutual Funds Dealers		29
	251	207
Scholarship Fund Dealers		3
Security issuers	23	16
Underwriters	135	135
Hearings and Orders		2
Investment Counsel	24	23
Securities Advisers	6	10
Exempt Purchasers	111	126
Salesmen	4,617	4,675

Note: Apparent differences between opening and closing of year arise through implementation of a more clearly defined breakdown in categories of registration whereby multiple registrants now appear in one specific category only rather than entered in each general category.

Schedule 4

Deputy Director, Filings

January 1 to December 31, 1968

	Preliminary	PROSPECTUSES		STATEMENTS OF MATERIAL FACT			OFFERINGS TO SHAREHOLDERS	
		Final	Refused	Withdrawn	Accepted	Refused	Accepted	Withdrawn
Mining and Oil Cos.	188	142	23	3	25	1	21	2
Minimum Dollar Value	\$ 78,792,346							
Industrial Cos.	135	91	12	3			20	2
Minimum Value	\$570,497,050							
Mutual Funds	119	90	6	1			20	2
(No estimate possible?)								
Scholarship Funds	4	3	—	—				
(from September 1) (no estimate possible)								

NOTE: Because of the continuing nature of the offerings in the case of mutual funds and certain finance companies, and in the case of certain junior mining companies where options were outstanding no figures have been included. In future reports these figures will be compiled from the yearly and half-yearly financial statements now being filed. The amounts of money raised through shareholders' offerings may similarly be computed in the future.

Hearings and Orders	Hearings:	30
	Orders	5

Schedule 5

Deputy Director, Administration

January 1 to December 31, 1968

Insider Trading Reports (approximately)	23,000
Financial Reports received	
Mining Companies	1,120
Industrial, Investment and Mutual Fund Companies	1,042
Finance Companies	52
Other Financial Reports	401
Takeover Circulars filed	40
Proxy Solicitation and Information Circular filings	1,426
Other Reports received and filed	950
Private Placement Reports	78
filed reflecting financing of \$151,254,635.	

NOTE: All of these reports, excepting the private placement reports, are to be found in the public file of the issuer. The fact that the financial reports, the takeover circulars, proxy solicitation and other reports have been received is sent to the approximately 925 parties receiving the weekly summary. The approximately 2,000 insider trading reports received each month are summarized and included in the O.S.C. Monthly Bulletin which goes out to approximately 1,200 parties.

Schedule 6

Chief Legal Investigation Officer

January 1 to December 31, 1968

	Outstanding	Opened	Closed	Outstanding
Investigations—				
(including section 12				
examinations and section				
33 audits	157	241	170	228

	Outstanding	Opened	Closed	Outstanding
Formal Investigations—				
Section 21	19	10	6	23
Section 23	1	—	—	1
*Referrals—				
	—	50	29	21
Administrative Proceedings—				
Hearings before Director or Deputy Directors	2	19	19	2
Hearings before the Commission or a Commissioner	—	25	24	1
Appeals to the Commission	2	27	26	3
Appeals to Court of Appeal from Commission or Court Applications involving the Commission	—	3	2	1
Court Applications—				
Securities Act or Corporations Act	—	20	20	—
Prosecutions—				
Criminal Code Charges	17	5	9	13
Securities Act Charges	8	6	11	3

*In March, 1968, the three self-regulatory bodies recognized under the Act, the Investment Dealers' Association of Canada, the Toronto Stock Exchange, and the Broker-Dealers' Association of Ontario assumed an active role in investigating, acting upon and reporting back to the Commission in many less serious matters of public complaint. The Canadian Mutual Fund Association has also participated. This has enabled the investigation staff more time for the more serious matters.

DEPARTMENT OF FINANCIAL AND COMMERCIAL AFFAIRS
REVENUE STATEMENT FOR THE YEAR ENDED
MARCH 31, 1968

Main Office: **\$ 3,911.50**

Ontario Securities Commission:

Fees	\$428,167.80	
Subscriptions to Bulletin, and Sales of Acts and Regulations	16,041.85	
Miscellaneous	1,285.65	
		445,495.30

Office of the Superintendent of Insurance:

Licences	\$522,501.00	
Fees	45,978.25	
Tax on Premiums	15,324.79	
		583,804.04

Consumer Protection Division:

Licences	\$225,531.99	
Fees	289,035.91	
Miscellaneous	1,118.83	
Reimbursement of Expenditures, Government of Canada re Credit Counselling Service	5,607.80	
		521,294.53
		\$1,554,505.37

DEPARTMENT OF FINANCIAL AND COMMERCIAL AFFAIRS
STATEMENT OF EXPENDITURE FOR THE YEAR ENDED
MARCH 31, 1968

Main Office:

Salaries	\$ 202,461.49
Travelling Expenses	10,047.59
Maintenance	167,944.58
Research Expenses	141,596.54
Conferences, Conventions, etc.	5,000.00
	\$ 527,050.20

Ontario Securities Commission:

Salaries	\$ 697,130.38
Travelling Expenses	14,289.24
Maintenance	125,989.42
	\$ 837,409.04

Office of the Superintendent of Insurance:

Salaries	\$ 316,918.02
Travelling Expenses	13,426.69
Maintenance	67,646.03
Grant to Association of Superintendents of Insurance of the Provinces of Canada	350.00
	\$ 398,340.74

Consumer Protection Division:

Salaries	\$ 704,861.34
Travelling Expenses	61,364.08
Maintenance	122,993.21
Grants	27,602.07
	\$ 916,820.70

Statutory:

Minister's Salary	\$ 12,000.00
	\$2,691,620.68

MINISTER'S OFFICE

Telephone

Minister:	Hon. H. L. Rowntree, Q.C.	6393
Executive Assistant to the Minister:	R. D. Campbell	6397

DEPUTY MINISTER'S OFFICE

Deputy Minister:	F. J. Pillgrem	6389
Executive Assistant to the Deputy Minister:	M. Gordon	5191
Director of Administration:	A. V. Godden	6485
Financial Research Assistant:	G. H. Thornton	4239
Solicitor (Departmental):	E. Ciemiega	5187
Public Information Officer:	E. C. Fisher	5181
Economist:	D. Stafl (Mrs.)	5151

DIVISIONAL OFFICES**Telephone****Consumer Protection Division**

Director:	S. D. Turner, B.A., Sc.	6477
Divisional Solicitor:	R. H. Lewis	6506
	A. N. Majaina	6506
Consumer Protection Bureau, Registrar:	A. R. Walker	6479
Cemeteries Branch, Officer in charge:	J. R. McAlister	6611
Upholstered & Stuffed Articles Registrar:	J. D. MacDougall	2127

Registration and Examination Branches

Director:	W. M. Jaffray	2525
Registrars— Collection Agencies; Mortgage Brokers; Bailiffs:	V. J. Simone	2513
Real Estate and Business Brokers:	W. J. Kucherepa	2504
Used Car Dealers:	R. G. MacCormac	4241
Supervisor, Credit Unions:	L. K. James	2515

Superintendent—Insurance Division**Superintendent of Insurance
and Registrar of Loan and
Trust Companies:**

Trust Companies:	G. E. Grundy, F.C.A.	2508
Deputy Superintendent:	S. J. Sexton, Q.C.	2500
Chief Examiner:	J. Silver	4247
Licensing Officer-Agencies:	A. A. Halford	2501

Ontario Securities Commission

Chairman:	H. E. Langford, Q.C.	2861
Vice-Chairman:	H. S. Bray, Q.C.	2861
Director:	W. M. Duggan	5352
Deputy Directors— Administration:	T. T. Birkett	2865
Prospectus Filings:	T. O. P. Brown	2877
Registration:	W. L. Jewett	6578
Investigation—Chief Legal Officer:	B. C. Howard	1261

DEPARTMENT OF FINANCIAL AND COMMERCIAL AFFAIRS

ORGANIZATION

Minister

Deputy Minister

The Department of Financial and
Commercial Affairs Act, 1966

The Ontario Deposit Insurance
Corporation Act, 1967

Chief Administrative Officer

Advisory services

Consumer Protection Division

Director

Consumer protection legislation

Registration and Examination Branch

Director

The Bailiffs Act, 1960-61

The Collection Agencies Act,
R.S.O. 1960

The Mortgage Brokers Registration Act,
R.S.O. 1960

The Real Estate & Business Brokers Act,
R.S.O. 1960

The Used Car Dealers Act, 1964

The Credit Unions Act, R.S.O. 1960

Ontario Securities Commission

Chairman

Securities legislation

Director

The Ontario Securities Act, 1966

Superintendent of Insurance

The Insurance Act, R.S.O. 1960

The Investment Contracts Act, R.S.O. 1960

The Loan & Trust Corporations Act, R.S.O. 1960

The Marine Insurance Act, R.S.O. 1960

The Prepaid Hospital & Medical Services
Act, R.S.O. 1960

The Consumer Protection Bureau Act, 1966

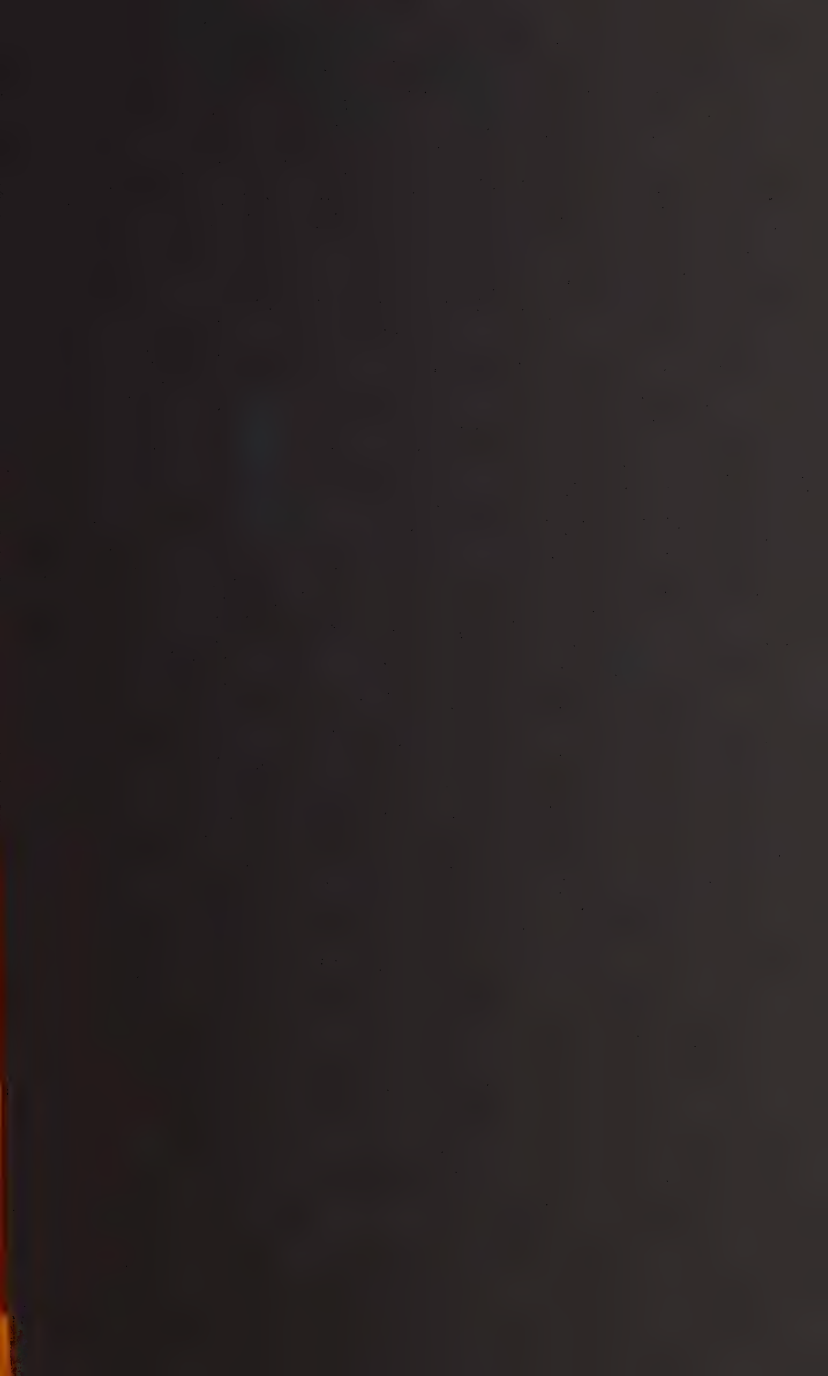
The Consumer Protection Act, 1966

The Cemeteries Act, R.S.O. 1960

The Upholstered & Stuffed Articles Act, 1968



ONTARIO
PROVINCE OF OPPORTUNITY





ONTARIO
PROVINCE OF OPPORTUNITY

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The Department of Financial and Commercial Affairs

REPORT COVERING JANUARY 1, to DECEMBER 31, 1969



MINISTER OF FINANCIAL AND COMMERCIAL AFFAIRS

555 Yonge Street,
Toronto 5.

To His Honour the Lieutenant Governor in Council

May It Please Your Honour:

The undersigned has the honour to present to
Your Honour the third Annual Report of the
Department of Financial and Commercial Affairs.

A stylized, handwritten signature in dark ink, likely belonging to A. B. R. Lawrence.

A. B. R. Lawrence, M.C., Q.C.

Minister.

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Foreword

There were many changes for the Department of Financial and Commercial Affairs in 1969. Not the least of these was the move in July from 123 Edward Street and its environs to the brand new building at 555 Yonge Street, Toronto 5.

Here, for the first time, the Ontario Securities Commission, the Office of the Superintendent of Insurance and the various facets of the Consumer Protection Division were housed under one roof.

A major change was the transfer in June of the Companies Branch from the Department of the Provincial Secretary and Citizenship, adding a fourth division and bringing the total staff complement to 470 when they moved to the new building in August.

The Ontario Securities Commission gained a new chairman when Edward A. Royce, senior Vice-President of the Bank of Montreal was appointed in July to replace Henry E. Langford.

An exhaustive study of mutual funds was tabled in the Legislature Dec. 9. Prepared by the Canadian Committee on Mutual Funds, it was jointly sponsored by provincial and federal governments, with staff offices at the Department of Financial and Commercial Affairs, under the Chairmanship of Gordon Grundy, Ontario Superintendent of Insurance and Registrar of Loan and Trust Companies.

During the year a study and review was instituted of "the increasing numbers of mergers, takeover bids and consequent formation of companies known as conglomerates".

Legislation: In June, legislation was introduced to establish a Commercial Registration Appeal Tribunal to conduct, in general, all appeal hearings with respect to acts administered by the Consumer Protection Division. It provided for further appeal to the Court of Appeal. To provide for the tribunal, amendments were made to The Department of Financial and Commercial Affairs Act, The Mortgage Brokers Registration Act, The Collection Agencies Act, The Consumer Protection Act, The Real Estate and Business Brokers Act, The Upholstered and Stuffed Articles Act and The Used Car Dealers Act. All these bills were given Royal Assent, in October, to come into effect on proclamation by the Lieutenant-Governor.

An Act to amend The Securities Act made provision for implementing recommendations of the Beatty Report and dealt with the form of prospectus required for certain mining development companies and the regulation of the over-the-counter market.

The Prepaid Hospital and Medical Services Amendment Act, 1968-69 made prescription drug plans subject to the Act in the same manner as hospital and medical service plans.

An Act to amend The Insurance Act provided for an increase in the minimum automobile public liability coverage from \$35,000 to \$50,000, on an inclusive basis, effective September 1, 1969.

Consumer Protection Division

The role of the Consumer Protection Division is to ensure a consumer climate in Ontario that will enable the consumer to realize his full rights and privileges under law in all of his consumer transactions.

It attempts to accomplish this in several ways:

- through the licensing and supervising of several commercial activities;
- through counselling consumers, handling their complaints and welcoming their comments.
- through negotiating and cooperating with members of the business community.

The Division operates through a variety of specialized branches and sections.

Credit Union Section

During the year 16 charters were issued by the Credit Union Section, 44 credit unions were dissolved voluntarily and 76 were under suspension or under dissolution leaving 1,546 active credit unions and caisses populaires on record which number includes four leagues.

	1968		1969	
	TOTAL	CAISSES POPULAIRES	TOTAL	CAISSES POPULAIRES
Leagues	4		4	
Non-affiliated caisses populaires	2	2	1	1
Non-affiliated credit unions	32		26	
Affiliated with Ontario Credit Union League				
Caisses Populaires	4	4	3	3
Credit Unions	1,469		1,429	
Affiliated with La Federation des Caisses Populaires	66	66	67	67
Affiliated with Regionale de Cochrane & Temiskaming	(16)	(16)	*(16)	(16)
Affiliated with Regionale de Nipissing & Sudbury	16	16	16	16
TOTAL active credit unions and caisses populaires	1,593	88	1,546	87
Dissolved	344		388	
Under Suspension	12		8	
Under Dissolution	45	401	68	464
TOTAL Charters issued	1,994		<u>2,010</u>	

*Affiliated with two leagues — La Federation & Regionale de Cochrane & Temiskaming.

Complete statistical information for the year 1969 is not yet available but data compiled by the Ontario Statistical Centre lists the total assets of all Ontario credit unions and caisses populaires as at December 31, 1969 at \$780,965,000. This represents an increase in the value of assets of 8.5% over the previous year.

During the year under review examiners of the Credit Union Section completed 807 examinations of groups whose combined assets amounted to \$337,276,000.

Credit Union Section

	1968	1969
SUMMARY OF ACTIVITIES 1969		
Charters granted during the year	26	16
Credit Unions dissolved	39	44
Approvals granted under Section 28(5) of the Credit Unions Act re guarantee fund allocations	64	81
Approvals granted under Section 27a of the Act re negotiable order services	15	19
Approvals granted under Section 10 of the Act permitting the acquisition of revenue-producing buildings — (total value of \$1,145,500.00) (in 1968 \$598,500.00)	8	12
Sale/purchase agreements approved under Section 57 of the Act	6	4
An average number of 15 by-law amendments have been approved weekly (approximately)	1200	800
Certified copies of by-laws together with amendments thereto	28	36
Credit unions representing total assets of \$337,276,000.00 examined by the Department (total assets of \$247,020,000.00 in 1968)	608	807
Credit unions examined by the Ontario Credit Union League Limited	466	380
Credit unions reported to us by the Ontario Credit Union League Limited under Section 53(8) of the Act	22	20
Credit unions suspended under the provisions of Section 51(3) of the Act	11	6
Credit unions re-instated after suspension	8	2

Bailiffs, Collection Agencies and Mortgage Brokers Section

THE BAILIFFS ACT

The number of private bailiffs has been decreasing steadily from a high of 185 in 1964 to the low of 124 as of December 31, 1969. Due to the amendments to The Landlord and Tenant Act which came into force on January 1, 1970 it is expected that the number of private bailiffs will decrease substantially during 1970.

THE COLLECTION AGENCIES ACT

The number of licensed collection agencies decreased from 117 to 115 in the period under review.

The number of branch offices at 60 remains practically unchanged during the same period and the number of licensed collectors shows a slight decrease from 648 to 637.

THE MORTGAGE BROKERS REGISTRATION ACT

The number of registered mortgage brokers has been increasing slowly but steadily since the Act came into force in July of 1960 when registrations totalled 700 excluding real estate brokers who are automatically empowered to act as mortgage brokers by virtue of their registration under The Real Estate and Business Brokers Act. The number of registrants as of December 31, 1969, at 810 represents an increase of about 7% over 1968.

INSPECTIONS

During the calendar year 1969, 163 inspections were made of the books and affairs of bailiffs, collection agencies and mortgage brokers. This is a decrease of 37 or 18.5% from the 200 inspections made during 1968 and is consistent with departmental policy to keep inspections to a minimum consistent with the proper administration of the three Acts involved.

COMPLAINTS

Bailiffs, collection agencies and mortgage brokers accounted for 752 complaints during 1969 or a decrease of about 4.5% over 1968. It should be noted that 75% of all complaints recorded were received by telephone. In the case of bailiffs those complaints resulted in 17 bailiffs having their appointments revoked for various reasons. Collection Agencies accounted for the bulk of complaints, received in the main from debtors regarding collection methods by some collection agencies.

Of the 8 collection agency licenses surrendered or cancelled none resulted in any known losses of trust moneys to the public.

Mortgage brokers accounted for 100 complaints in 1969 or about the same number as in 1968. Eight of the complaints involved improper deposits or fees taken by the broker and in every case the department was instrumental in obtaining a refund of the amount in question.

STATISTICS

BAILIFFS	1968	1969
Appointments in force at January 1	143	126
Add: New appointments made January 1 to December 31	8	15
	151	141
Deduct: Surrendered or revoked	25	17
Appointments in force at December 31	126	124

COLLECTION AGENCIES

Licences in force January 1		
Agencies	124	117
Branches	60	61
Collectors	627	648
	811	826
Add: New Licences issued January 1 to December 31		
Agencies	5	6
Branches	5	1
Collectors	281	256
	1,102	1,089
Deduct: Licences surrendered or cancelled		
Agencies	3	8
Branches	3	2
Collectors	270	267
	826	812
Licences valid at December 31		
Agencies	117	115
Branches	61	60
Collectors	648	637
	826	812

MORTGAGE BROKERS REGISTRATIONS

Total registrations at January 1	704	759
Add: New registrations from January 1 to December 31	143	133
Deduct: Registrations surrendered, January 1 to December 31	88	82
Registrations at December 31	759	810

INSPECTIONS

January 1 to December 31

BAILIFFS		COLLECTION AGENCIES		MORTGAGE BROKERS		TOTAL	
1968	1969	1968	1969	1968	1969	1968	1969
48	43	130	98	22	22	200	163

COMPLAINTS RECEIVED

January 1 to December 31

213	204	466	448	104	100	783	752
-----	-----	-----	-----	-----	-----	-----	-----

Real Estate and Business Brokers Act Section

The past year has seen a great increase in registration, not only with the 19,000 registrations and renewals in Ontario, but in the filings for sale of subdivided lands and condominium located outside the province.

These filings, which are through the form of a prospectus have increased at a very rapid rate, from many countries, including the Caribbean, southern United States, Hawaii and, more recently, Europe, namely, Greece. It is the responsibility of this section to ensure that full disclosure is given to residents of Ontario contemplating purchases of such foreign lands.

REGISTRATION:	1967	1968	1969
New Brokers	381	535	818
New Salesmen	3228	4227	4945
Transfers (Salesmen)	3110	3547	4519
Suspensions (Salesmen)	4801	5408	7124
Suspensions (Brokers)	298	238	380
Examinations (Salesmen)	5159	6380	7445
Examinations (Brokers)	510	589	812
Total Registrations (Broker)	2461	3985	4177
Total Registrations (Salesman)	8386	9716	12807
Complaints Received	1647	2477	2497
Complaints Finalized	1596	2442	2565
Inspections (Nov. 4/66 - Dec. 31/67)*	2055*	2562	2575
Foreign Subdivisions (New)	15	15	31
Foreign Subdivisions (Renewal)	10	20	26

CEMETERIES BRANCH

An amendment to The Trustee Act was given Royal Assent on 31 October 1969 which provides cemetery operators with an opportunity to have a proportion of their perpetual care and pre-need assurance funds invested in a wider selection of securities without having to apply to the Supreme Court for permission. This amendment will permit a modest growth factor to be applied to these trust funds as an amount not to exceed 35% of the total value of the portfolio may be so invested.

Twelve complaints were investigated ranging from the sale and installation of bronze memorials, cancellation of sales contracts, establishment of crematoria and cemeteries in residential areas, sale of memorials by cemetery operators, installation charges, and a refusal by a cemetery to allow examination of its records to a consultation with the Ontario Provincial Police regarding shallow burials and theft of rough boxes.

It is becoming increasingly difficult in some areas to keep cemetery service charges within limits which can be described as “reasonable” when that term is applied in today’s economy. Rising labour rates in Metro and some industrial areas have had an inflationary effect on the hourly rates in effect in cemetery organizations, with the result that the rates differential as between industrial communities, urban or semi-rural, ranges from \$1.50 to \$3.90 per hour.

The section’s function in protecting “locked in” lot owners from the assessment of exorbitant service charges has often become an arbitration session on behalf of the public generally while at the same time giving adequate consideration to the needs of cemetery organizations which are faced with rising labour costs.

Total inspections — 347 carried out of which 83 are incomplete. In connection with these, 441 interviews with cemetery officials were conducted and 42 consultations were carried out with Trust Officers, Solicitors, Engineers, Accountants, Surveyors, etc.

Ten municipal council meetings and 50 cemetery board meetings were attended to give advice, assistance and counsel, and special assistance in the preparation of submissions for filing and approval was provided on 327 occasions.

The Trust Officer made six court appearances with Solicitors representing the Public Trustee’s office in passing perpetual care accounts and examined 27 sets of accounts prior to their presentation to the Judge. He was required to make observations in all cases and had 40 consultations with Accountants, Solicitors and Municipal Officials in the passing of 16 sets and the 217 Form 2 returns and/or financial statements which were received for examination.

Ten Orders-in-Council were issued during the year to effect closure of cemeteries, removal of remains, set cremation rates and provide an exemption to the Department of Highways from the advertising provisions of a removal order.

Six new cemeteries were established and nine extensions to existing cemeteries were authorized while 258 submissions relating to plans, rules and regulations, deed forms, by-laws and tariffs were filed or approved.

Used Car Dealers Section

There has been a significant increase in registration certificates issued with 2,783 more than in the previous year.

REGISTRATIONS

	1968	1969
Number of Registrations issued	17,822	20,605
Salesmen's Bonds cancelled	2,593	3,416

INSPECTION

	1968	1969
Written complaints received and investigated	1,434	1,840
Complaints outstanding at end of year	157	203

Note — The above complaints do not take into consideration 235 written complaints received and investigated on behalf of the Consumer Protection Bureau by Regional Inspectors.

BONDS FORFEITED

	1968	1969
Dealers	9	6
Salesmen	7	14

PROSECUTIONS

	1968	1969
Dealers	5	7
Salesmen	0	2

HEARINGS CONDUCTED (Dealers and Salesmen)

	1968	1969
Number held	182	172

DECISIONS

	1968	1969
Registrations Not Accepted	32	40
Cancelled	8	21
Suspended	38	25
Conditional Registration	88	76
Severe Reprimands	2	1
Reprimanded	6	2
Cautioned	2	3
No action	6	4

UPHOLSTERED AND STUFFED ARTICLES BRANCH

INSPECTION STATISTICS (January 1, 1969 — December 31, 1969)

INSPECTIONS

During the year the Ontario Research Foundation completed the first phase of a program designed to update test procedures for filling materials and in conjunction with this all responsibility for current testing was removed from the Ontario Department of Health laboratories and taken over by Branch staff. The next step in this program will be to fully equip our own laboratory and provide for the services of a technician to carry out the necessary test procedures, probably in the spring of 1970. Meanwhile liaison between this Branch and the Ontario Research Foundation continues.

PROSECUTIONS

Proceedings against four firms were begun during the year and three of these cases were resolved to our satisfaction, prior to actual court appearance.

COMPLAINTS

Due to our close association with consumer protection, the number of complaints received from the public either directly or through the Consumer Protection Bureau has increased considerably from 169 in 1968 to 267 in 1969.

Although many of these complaints were not direct infractions of our legislation they did relate to failure to complete contracts satisfactorily and as such were investigated by the staff and wherever possible a settlement was obtained through liaison with the parties concerned.

No. of Firms in Ontario Under Inspection and Visits Made

TYPE OF BUSINESS	NO. OF PREMISES	NO. OF INSPECTIONS
MANUFACTURERS	469	819
UPHOLSTERERS AND RENOVATORS	697	1,103
SUPPLIERS	99	73
IMPORTERS, WHOLESALERS & DISTRIBUTORS ..	350 (Est.)	286
RETAILERS	12,000 (Est.)	1,766
TOTALS	13,615	4,047

REGISTRATION STATISTICS

Registrations at December 31, 1969

ONTARIO:	Manufacturers	469
	Renovators	697
OTHER PROVINCES:	Manufacturers	397
OTHER COUNTRIES:	Manufacturers	412

SAMPLING AND TESTING OF FILLING MATERIALS

TEST RESULTS:	Approved (new material)	387
	Rejected (second hand material)	38

RESULT OF INSPECTIONS

TYPE OF ARTICLE	NO. OF ARTICLES	ACCEPTED	REJECTED	PENDING
MATTRESSES	152	108	44	—
UPHOLSTERED FURNITURE .	1,873	1,625	189	59
CLOTHING	5,145	4,219	926	—
TOYS	348	166	163	19
MISCELLANEOUS	2,951	2,419	532	—
TOTALS	10,469	8,537	1,854	78

Consumer Protection Bureau

(Also please see insert at centre of Report)

Previous reports have detailed the extent of liaison developed with other government agencies and private organizations. The Registrar attended the Federal-Provincial Ministerial Conference on Consumer Affairs in Ottawa where subjects of vital importance to the consuming public were discussed. These conferences are convened on a continuing basis.

EDUCATION

The Bureau staff is ever mindful of the pressing need for consumer education and has continued the acceptance of speaking engagements to consumer groups. Participation in consumer protection conferences and continuing work on educational pamphlets are other examples of involvement in this program.

COMPLAINTS

The statistics which follow categorize the areas of complaint. Often, the bureau is called upon to assist in matters which are outside its jurisdiction. In addition to the volume of written complaints, some 26,000 telephone calls were handled.

WRITTEN COMPLAINTS PROCESSED JANUARY 1 TO DECEMBER 31, 1969

CLASSIFICATION	NUMBER	AS PERCENTAGE OF TOTAL
ADVERTISING	40	2
APARTMENT RENTAL SECURITY DEPOSITS AND LEASES	105	5
APPLIANCES AND FURNITURE (excluding T.V.'s, Freezers, Vacuum Cleaners, Sewing Machines and Housewares)	220	10
CLOTHING STORES	65	3
DANCE AND HEALTH STUDIOS	38	2
EDUCATION COURSES	45	2
FINANCE AND LENDING AGENCIES	138	6
FREEZER AND FOOD PLANS	96	4
HOME DRIVEWAY PAVING	202	9
HOME IMPROVEMENTS AND REPAIRS	225	10
HEARING AIDS	26	1
HOUSEWARES	62	3
MAGAZINES AND BOOKS	284	13
MOVING AND STORAGE	16	1
PHOTOGRAPHERS	23	1
RECORD CLUBS	22	1
RUGS, FLOOR COVERINGS AND DRAPES	85	4
T.V. SALES AND SERVICE	72	3
VACUUM CLEANERS AND SEWING MACHINES	83	4
MISCELLANEOUS	393	16
	2,240	100
Telephone complaints		26,000

SUMMARY OF COMPLAINTS

	NUMBER		AS PERCENTAGE OF TOTAL	
	1968	1969	1968	1969
REDRESS	897	1,026	59	46
NO REDRESS	292	741	19	34
REFERRED ELSEWHERE	61	125	4	6
UNJUSTIFIED	226	178	15	8
CONSUMER DISCONTINUED	41	127	3	6
	1,517	2,197	100	100
PENDING AT YEAR END	317	43		
	1,834	2,240		

ADVERTISING

Warnings issued for inadequate information of cost of credit disclosure 19

Cessation Orders issued on false, misleading and deceptive advertising 3

A number of other cases resulted in voluntary withdrawal by the offending advertisers.

Public Information Services

Two all-day consumer protection conferences convened by the Public Information staff were held in 1969 — one in Etobicoke and one in Clinton — each a first of its kind. The January conference in Etobicoke was the first in the Metropolitan area and the October one in Clinton, Huron County, the first to be held on a county-wide basis.

A record 630 persons attended the Etobicoke conference at the Skyline Hotel, while the Clinton conference attracted 360, packing the Canadian Legion Hall to the limit with delegates from the county's five towns, five villages and sixteen townships.

As in the five two-day conferences held the previous year, the enthusiastic delegates, a cross-section of the population, stressed the need for more consumer education at home and school, and praised the "incredible amount of information given out". Local community problems were aired by the panel of four local speakers, two representing consumers, two the business community.

At each conference registrars of the Used Cars, Real Estate, Bailiffs, Collection Agencies, Mortgage Brokers Sections, and Consumer Protection Bureau revealed the many ways in which they continuously strive to ensure ethical business practices and a "fair deal" for everyone.

These "taking the government to the people" conferences highlighted many problem areas in the fields of unsolicited credit cards and "easy credit" which — like a wonder drug — can be a health tonic, an intoxicant, or if taken in too large doses, a poison.

Solutions to these problems are a continued source of concern and study by senior officials of the Consumer Protection Division and legal staff.

At Clinton, the first issue of our bulletin "The Consumer Information Digest" was given to delegates. Since that time, this popular bulletin has been sent to over 14,000 consumers and business people in all parts of the province.

During the year, Information Branch personnel answered many thousands of requests for information, by telephone and mail, including requests for project information from students ranging from public school to university level.

Over 800,000 pamphlets: "Real Estate", "Consumer Credit", "In the Public Interest", "Securities", "Used Cars", and "Putting your Dollar to Work", were distributed during 1969 at conferences and on request from concerned consumers and business groups all over Ontario.

In answer to many requests for speakers at various seminars, meetings, conferences, senior officials in the Main Office, Ontario Securities Commission, Office of the Superintendent of Insurance and Consumer Protection Division accepted more than 200 speaking engagements.

**THE CONSUMER
PROTECTION BUREAU
AND THE
ITINERANT SELLER**

Two groups of itinerant sellers drew special attention from Ontario's Consumer Protection Bureau in 1969 — home driveway paving contractors and freezer and food sellers.

When the Bureau came into being in 1967 to administer The Consumer Protection Act, 1966 it met widespread cooperation. It became apparent that the principle, intent and purpose of the Act had been generally accepted by industry and commerce in the Province.

The first objective was to ensure registration of all itinerant sellers and to this end concentrated action was taken across the Province. Several home driveway paving contractors and other itinerant sellers, however, ignored the registration requirement and prosecutions were instituted. The Bureau is continuing this course of action.

In the case of home driveway paving contractors, a sampling of consumer complaints was analysed and it was concluded that consumers were not being made aware of work specifications.

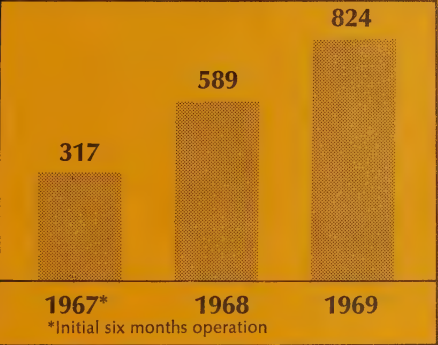
The competitive nature of this industry tended to over-emphasize price consideration. As a result, consumers often contracted for driveways which lacked the quality necessary for long term usage. In some cases, buyers were allowed or encouraged to believe that relatively inexpensive contracts would satisfactorily meet their needs.

The industry was encouraged to form an association as a measure of self-control and to “spell-out” contract specifications. Meetings were held to develop contracts which would be meaningful to businessmen and consumers alike.

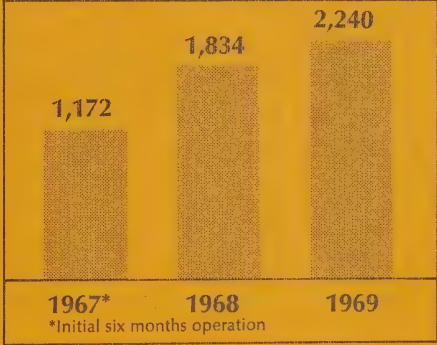
It was also encouraged to provide expert testimony to assist the Registrar and staff in determining the validity of consumer complaints and provide the evidence necessary for actions against those registrants who show a pattern of substandard workmanship.

During 1969 the Bureau also examined freezer and food sales. Various plans were carefully analysed by a member of the investigation staff and it was found that a number effectively hid the costs of various services under contract. The Registrar directed these vendors to comply with the requirements under the Act for full disclosure and itemized pricing.

REGISTERED ITINERANT SELLERS



VOLUME OF WRITTEN COMPLAINTS



Ontario Securities Commission

The range of responsibilities assigned to the Commission is detailed in the schedules appended to this report. The formal activities of the Commission itself, headed by the Chairman as its Chief Executive Officer, are set out in Schedule 1. On July 31st, 1969 Mr. H. E. Langford, Q.C. retired as Chairman. Under Mr. Langford's chairmanship the Commission had undertaken the administration of its expanded role under The Securities Act, 1966 and the appropriate amendments to The Ontario Corporations Act. Mr. Langford's successor was Mr. E. A. Royce, who retired as the Senior Vice-President of The Bank of Montreal to assume the post of Chairman and Chief Executive Officer.

The Commission moved forward in several areas of investor protection. It published a sophisticated code of standards for registrants designed to afford more adequate protection for their clients. It instituted research in a number of areas, particularly as regards investor disclosure. In April, the then Minister, The Honourable H. Leslie Rowntree, Q.C., requested the Commission to undertake a study of the area of mergers, take-overs and related matters. A committee consisting of Vice-Chairman H. S. Bray, Q.C. and Commissioners D. S. Beatty and J. Willis, Q.C. undertook and subsequently completed the study requested. Studies in a number of other areas were undertaken and completed and these are reflected in the Commission policies published from time to time in its Weekly Summary of Activities and the monthly Bulletin.

The Commission's Chief Administrative Officer is the Director. He, with the assistance of his deputies, deals with a spectrum of matters including the acceptance of prospectuses and the granting of registrations. In addition the Director exercises power assigned to him by the Commission. The formal proceedings undertaken by the Director are set out in Schedule 2. The activities of the Deputy Director, Registration are delineated in Schedule 3. Schedule 4 indicates the volume of matters disposed of by the Deputy Director, Filings, and gives some idea of the dollar value of the capital raised through such filings. The range of disclosure information received and processed by the office of the Deputy Director, Administration is outlined in Schedule 5. It is in this area of activities which includes insider trading reports, yearly and half-yearly financial reporting, take-over bid circulars and proxy solicitation material, that the range of additional information now routinely available to the public can best be gauged.

It will be noted that in most areas the volume of activity has increased. The higher level of disclosure, the expanded conditions imposed on registrants, and the level of surveillance required of themselves impose greater demands upon the Commission and its staff.

The Commission's surveillance and enforcement program, apart from that performed by the Director and his staff, is the responsibility of the Chief Legal Investigation Officer and his branch. The range of their activities is set out in Schedule 6. In addition the Commission is assisted by the activities of the self-regulatory bodies. These are the Investment Dealers' Association of Canada, The Toronto Stock Exchange and the Broker-Dealers' Association of Ontario.

The Commission has a clearly defined responsibility for the supervision of the activities of the self-regulatory bodies. To illustrate following the passing of the new Toronto Stock Exchange Act, the Commission — as is its statutory responsibility — reviewed and approved the Exchange's new By-Laws which came into force in December, 1969. The Commission convened a public hearing, inviting briefs and submissions, through which it explored the impact of certain by-laws and rulings of the Exchange and their effect upon listed companies. It will be moving forward in 1970 with concrete proposals flowing from the research it has undertaken during the past year.

Ontario Securities Commission

ADMINISTRATION BRANCH

The number of reports received under regulations governing take-over bids, proxy and proxy solicitations, insider trading and financial disclosure sections of the Act continued at a very high level. Insider Trading Reports were responsible for 14,928 reports. This was less than the previous year but the previous year included the initial reports called for under the legislation. Reports for takeovers, proxy solicitations and financial reporting called for under Parts IX, X and XII are creating a number of problems in that there are some 4,000 financial reports required to be received within statutory time limitations. The branch controls nearly 25,000 files and there is continuous reference to them by Commission staff and by the steady stream of public who come in to inspect the public section files of this filing section.

FILINGS BRANCH

The number of prospectuses filed rose from 578 in 1968 to 689 in 1969 and their dollar value rose from \$651,149,896 in 1968 to \$1,008,194,934 in 1969.

The Deputy Director, Filings, conducted 97 hearings in respect to deficiencies in material filed and made five orders under Section 40(1) and four refusals under Section 61.

There was also a substantial increase in transfers and releases from shares held in escrow with applications rising from 457 in 1968 to 565 in 1969.

INVESTIGATION BRANCH

The year opened with 228 informal investigations in progress and 200 new ones were added during the year; 257 were closed and 171 remain outstanding at the year end. There were 23 formal investigations in progress at the beginning of the year and 15 new ones instituted; 23 remain outstanding at the end of 1969. Additionally, there were 85 referrals of complaints to the other self-regulatory bodies that include The Toronto Stock Exchange, the Investment Dealers' Association of Canada and the Broker-Dealers' Association. Of these, 23 remain to be completed. Altogether 64 administrative proceedings were dealt with and 54 closed during the year.

There were 27 applications to the Courts under The Securities Act or The Corporations Act and 23 under The Criminal Code. Of the 16 proceedings under The Securities Act, 14 were finalized and 14 were also finalized under The Criminal Code.

REGISTRATION BRANCH

The introduction of the policy statement called "Conditions of Registration" is creating an additional workload as registrants are required to meet the conditions set out in this policy statement when their registration comes up for renewal. At the same time, the matter of dual registration of individuals licensed concurrently to sell mutual funds and life insurance has resulted in a significant work increase in the branch.

SCHEDULE 1

January 1 to December 31, 1968 - 1969	Disposed of Throughout the Year	
	1968	1969
Appeals from Director, Deputy Director or Commissioners — Section 28 and Section 3(3)	23	7
Hearings as to Fitness for Continued Registration (Section 8 — since July 1, 1968)	43	20
Applications for Exempt Purchaser Status — Section 19(1)3	27	3
Denial of Exemption Hearings — Section 19(5) & (6)	11	59
Application for Exemptions from Prospectus or Registration Requirements — Section 20	0	1
Investigations Ordered — Section 21(1) & (2)	10	20
Orders to hold or refrain from dealing with funds or securities — Section 26	3	1
*Applications for Determination as to Questions Involving Possible Primary Distribution to the Public — Section 59	207	289
Hearings as to Ceasing Primary Distribution to the Public — Section 62	1	0
Hearings re Orders Suspending Trading in Specific Securities — Section 141b	11	13
Policy Decisions and Other Matters	9	12

*All decisions of the Commission, excepting those made under Section 59, may be appealed to the Court of Appeal.

SCHEDULE 2

— DIRECTOR	Disposed of Throughout the Year	
	1968	1969
January 1 to December 31, 1968 - 1969		
Hearings as to Fitness for Registration — Section 7	22	12
Applications for Orders under Powers assigned by Commission:		
Proxies and Proxy Solicitation		
Section 103	52	26
Insider Trading Reports		
Section 116	49	24
Omitting Gross Sales		
Section 121(3)	3	8
Financial Disclosure		
Section 131	34	17

SCHEDULE 3

— DEPUTY DIRECTOR, REGISTRATION

January 1 to December 31, 1968 - 1969	Registered	
	1968	1969
Brokers (Members T.S.E.)	23	20
Broker-Dealers (B.D.A.)	41	25
Investment Dealers (I.D.A.)	42	33
Brokers and Investment Dealers	49	60
Brokers, Broker-Dealers and Investment Dealers	3	1
Brokers and Broker-Dealers	13	10
Securities Dealers	14	14
Mutual Funds Dealers	29	34
Broker and Security Dealers	0	4
Broker, Investment Dealer and Securities Dealers	0	1
Scholarship Fund Dealers	3	2
Security Issuers	16	18
	233	222
Underwriters	135	80
Hearings and Orders	2	0
Investment Counsel and Securities Advisers	33	34
Exempt Purchasers	126	99
Salesmen	4,675	5,239

SCHEDULE 4

— DEPUTY DIRECTOR, FILINGS

January 1 to December 31, 1968 - 1969

Received During the Year

	1968	1969
Prospectuses Accepted	326	423
Statements of Material Fact	25	75
Offerings to Shareholders	44	21
Amendments to above	183	171
Hearings under Section 61	0	97
Orders under Section 40(1)	0	5
Transfers within Escrow	436	506
Applications for release from Escrow	21	19

Value of Prospectuses

Mining and Oil Companies	\$ 78,792,346	\$ 74,933,814
Industrial Companies	\$ 570,497,050	\$ 930,246,121
Total	\$ 649,289,396	\$1,005,179,935
Value of Statements of Material Fact	\$ 1,860,500	\$ 3,015,000

SCHEDULE 5

— DEPUTY DIRECTOR, ADMINISTRATION

January 1 to December 31, 1968 - 1969

Handled Throughout the Year

	1968	1969
Insider Trading Reports (approximately)	23,000	14,928
<i>Note: 1968 includes Initial Reportings</i>		
Financial Reports received		
Mining Companies	1,120	1,501
Industrial, Investment and Mutual Fund Companies	1,042	1,502
Finance Companies	52	204
Other Financial Reports	401	742
Takeover Circulars filed	40	39
Proxy Solicitation and Information Circular filings	1,426	1,480
Other Reports received and filed	950	1,560
Private Placement Reports	78	145

NOTE: All of these reports, excepting the private placement reports, are to be found in the public file of the issuer. The fact that the financial reports, the takeover circulars, proxy solicitation and other reports have been received, is sent to the approximately 1,200 parties receiving the weekly summary. The approximately 2,000 insider trading reports received each month are summarized and included in the O.S.C. Monthly Bulletin which goes out to approximately 1,500 parties.

SCHEDULE 6

— CHIEF LEGAL INVESTIGATION OFFICER

January 1 to December 31, 1968 - 1969		Handled Throughout the Year			
		Outstanding	Opened	Closed	Outstanding
Investigations — including Section 12 examinations and Section 33 audits					
	1968	157	241	170	228
	1969	228	200	257	171
Formal Investigations —					
Section 21	1968	19	10	6	23
	1969	23	15	16	22
Section 23	1968/9	1	0	0	1
*Referrals	1968	0	50	29	21
	1969	21	64	62	23
Administrative Proceedings —					
Hearings before Director or Deputy Directors	1968	2	19	19	2
	1969	2	10	10	2
Hearings before the Commission or a Commissioner	1968	0	25	24	1
	1969	1	17	15	3
Appeals to the Commission .	1968	2	27	26	3
	1969	3	29	28	4
Appeals to Court of Appeal from Commission or Court Applications involving the Commission	1968	0	3	2	1
	1969	1	2	1	2
Court Applications —					
Securities Act or Corporations Act	1968	0	20	20	0
	1969	0	27	27	0
Prosecutions —					
Criminal Code Charges	1968	17	5	9	13
	1969	13	6	10	9
Criminal Code Appeals	1968	0	4	0	4
	1969	4	0	4	0
Securities Act Charges	1968	8	6	11	3
	1969	3	6	8	1
Securities Act Appeals	1968	0	6	0	6
	1969	6	1	6	1

*In March, 1968, the three self-regulatory bodies recognized under the Act, the Investment Dealers' Association of Canada, the Toronto Stock Exchange, and the Broker-Dealers' Association of Ontario assumed an active role in investigating and acting upon complaints. The Canadian Mutual Fund Association has also participated.

SUPERINTENDENT OF INSURANCE

The Office of the Superintendent of Insurance has responsibility for the supervision of The Insurance Act, The Loan and Trust Corporations Act, The Prepaid Hospital and Medical Services Act, The Investment Contracts Act, The Guarantee Companies Securities Act, The Ontario Deposit Insurance Corporation Act and The Marine Insurance Act.

The primary purpose of this division is to supervise the business of Insurance in Ontario together with the business of Loan and Trust Corporations and Prepaid Hospital and Medical Services Plans. Before any corporation may engage in these businesses in Ontario it must satisfy the Superintendent of its suitability and financial competence. In addition, personnel engaged in the sale and handling of insurance must be specifically licensed for life, general insurance and accident and sickness.

In recent years there has been a steady increase in the number of enquiries from the public necessitating, in some cases, detailed and comprehensive investigations and reports. This program is in keeping with other developments in the consumer protection field and the Division in many cases is able to assist residents of the province by acting as an intermediary between the policyholder or claimant and the company.

It also acts as a catalyst to the industry in suggesting amendments to standard policy forms, proposes marketing innovations and revises legislation. In the case of automobile insurance the Office of the Superintendent of Insurance is responsible for the actual approval of policies and forms.

LICENSING

The Superintendent has general responsibility for supervising insurance within Ontario. Insurance companies, agents, brokers, salesmen and adjusters may transact business in the province only after a licence has been granted by the Superintendent.

(i) COMPANY LICENCES

Companies are licensed after inspection and examination of their annual returns.

The Superintendent must be satisfied as to the financial adequacy of each company, its ability to satisfy legitimate claims and that the company is acting in accordance with the regulations of The Insurance Act.

Number of Company Licences in Ontario	1968	1969
Registered and inspected by the Federal Department of Insurance	386	379
Mutual Benefit Societies	73	68
Farm Mutual Fire and Weather Companies	62	60
Ontario incorporated companies selling life, fire, automobile and general insurance policies	36	35
Companies incorporated in other provinces selling similar classes of insurance	12	13
	569	555

(ii) OTHER LICENCEES

Licences to agents, brokers, salesmen and adjusters are issued only after the Superintendent is satisfied as to the applicant's honesty, integrity and suitability and (except in the case of life insurance agents who must pass approved company examination) has passed a qualifying examination.

Number of other Licencees in Ontario	1968	1969
Life Insurance Agents	12,662	14,289
Non-life Insurance Agents	8,359	8,930
Adjusters	954	1,008
	21,975	24,227

INDUSTRY'S GROWTH

The Superintendent of Insurance publishes an annual report showing the financial statements of provincial insurers and detailed statistics of all licensed insurers operating in Ontario. The following extracts from these reports indicate the growth of the industry in the province:

(i) LIFE INSURANCE

Net Premium Income

	1950	1960	1965	1966	1967	1968
Total	\$ 196,819,222	\$ 417,401,158	\$ 576,437,454	\$ 579,356,379	\$ 603,422,069	\$ 655,212,013

Policies in Force

No. of Policies	3,854,234	4,355,854	4,418,398	4,445,480	4,472,330	4,508,776
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Gross Value	\$7,564,184,118	\$20,130,320,284	\$31,216,974,773	\$34,401,815,329	\$37,843,640,487	\$41,626,256,136
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(ii) OTHER-THAN-LIFE INSURANCE

Net Premiums Written

Auto	\$ 44,114,952	\$ 128,235,639	\$ 225,059,453	\$ 264,007,671	\$ 299,408,495	\$ 304,010,007
Fire	\$ 48,088,382	\$ 92,026,719	\$ 104,163,799	\$ 112,038,651	\$ 123,246,443	\$ 133,932,706

Other

Classes	\$ 48,010,550	\$ 143,006,511	\$ 226,004,966	\$ 257,376,642	\$ 286,794,215	\$ 316,307,663
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COMPLAINTS

The Superintendent frequently has cause to intervene on behalf of an insured person against an insurance company. These complaints concern disputes as to liability, values, delays in settlement, the amount of premium refunds on short-term cancellations, and claims past the prescription date.

OTHER ACTS

In addition to the supervision of insurers, the Superintendent is responsible for:

(i) THE INVESTMENT CONTRACTS ACT

Companies which issue investment contracts, are required to be registered, to file annual financial returns and maintain adequate reserves for the eventual payment of their outstanding contracts. There are three companies presently registered with total assets of 290 million dollars. Persons selling investment contracts are also required to be registered with the Superintendent in the manner required for other insurance salesmen.

Number of registered salesmen 1969 427

(ii) THE PREPAID HOSPITAL AND MEDICAL SERVICES ACT

Incorporated associations operating non-profit prepayment hospital and medical plans are required to register and file annual financial returns with the Superintendent. They are examined to ensure financial adequacy, proper method of operation and that contracts with hospitals, physicians or others rendering services and contracts with subscribers are fair and reasonable. In 1969, with the introduction of Medicare and the resultant creation of the Ontario Health Services Insurance Plan (O.H.S.I.P.), twenty-three cooperative associations amalgamated and, along with six others, are now offering paramedical services. Ten are in the process of winding up. Two Group Health Centres are acting as designated agents and rendering medical services for O.H.S.I.P.

(iii) THE MARINE INSURANCE ACT

The Act sets out those principles of law which relate exclusively to marine insurance. It is principally concerned with matters relating to insurable interest, nature of the contract, policy form and warranties. It does not provide for any registration or licensing.

The Registrar of Loan & Trust Corporations

THE LOAN AND TRUST CORPORATIONS ACT

The Superintendent of Insurance is also the Registrar under The Loan and Trust Corporations Act. He is responsible for the general supervision of loan and trust companies in Ontario.

REGISTRATION

All loan and trust companies doing business in the province are required to register under the provisions of the Act.

Number of Corporations Registered in Ontario

1968				1969			
	Trust	Loan	Total		Trust	Loan	Total
Ontario Incorporated	16	11	27	Ontario Incorporated	16	11	27
Federal Incorporated	7	8	15	Federal Incorporated	7	8	15
Extra-Provincial	8	3	11	Extra-Provincial	9	3	12
Foreign	3	—	3	Foreign	3	—	3
	34	22	56		35	22	57

Note: Fourteen of these loan companies and thirteen of the trust companies have been incorporated in the past 10 years.

Note: Fourteen of these loan companies and fourteen of the trust companies have been incorporated in the past 10 years.

SUPERVISION

Supervision is carried out by an analysis of the annual and other financial statements filed by the companies. An annual examination of the Ontario incorporated companies is also made by the staff of the Registrar. These examinations include a review of the company's financial condition and business practices and a determination that the company is operating within the provisions of the Act.

INDUSTRY: GROWTH

The Registrar of Loan and Trust Corporations publishes an annual report showing the financial statements and detailed statistics of all registered companies. The following extracts from these reports give some indication of the growth of the industry:

	1950	1960	1965	1966	1967	1968
	\$	\$	\$	\$	\$	\$
Loan Corporations						
Deposits	89,074,000	140,927,000	398,828,000	439,616,000	425,428,000	461,045,000
Debentures	116,705,000	355,748,000	861,897,000	985,435,000	1,166,094,000	1,216,122,000
Trust Companies						
Deposits	152,749,123	416,647,000	1,070,378,000	1,112,093,000	1,139,968,000	1,251,695,000
Guaranteed Investment						
Certificates	165,984,000	687,068,000	1,827,498,000	2,130,835,000	2,404,678,000	2,790,913,000
	524,512,000	1,600,390,000	4,158,601,000	4,667,979,000	5,136,168,000	5,719,775,000

Companies Branch

The duties and responsibilities of the Companies Branch arise from the administration, in whole or in part, of the following statutes:

- The Corporations Act
- The Corporations Information Act
- The Mortmain and Charitable Uses Act
- The Corporation Securities Registration Act
- The Credit Unions Act*

To discharge its duties the Companies Branch, in broad terms, conducts the following transactions: incorporation of corporations, amendments to incorporating instruments, surrenders of charters, cancellation of charters and licences, revivals of charters, issuing licences to foreign corporations, processing annual returns from all corporations active in Ontario, providing public search facilities and registering corporate securities.

To provide effective administration this Branch is divided into six sections whose Heads are responsible for the day-to-day performance of the units. Section Heads report to the Director, who has overall responsibility for the operation of the Branch and its staff of 117.

This unit provides general administrative services for the Branch, such as, drafting proposed amendments to legislation, improving methods of operation and budgeting.

The Section's main functions relate to incorporating corporations. Duties involve approving or rejecting — on the basis of legal validity and public interest — applications for Letters Patent, Supplementary Letters Patent, Extra-provincial Licences, etc. The Legal Section provides consultation and advice to interested parties in matters leading to formal applications for documents issued by the Branch.

During 1969, the Legal Section reviewed and approved 13,543 documents for issue of which 10,866 were Letters Patent incorporating new corporations.

This unit is engaged in analysis of proposed corporation names, maintaining records to control progress of applications for Letters Patent, Licences in Mortmain, etc., to ensure that no corporate name is granted which may be confused with the name of another corporation.

In 1969 it analyzed 34,570 reports on proposed corporate names.

The function of this Section is to edit applications and to engross documents such as Letters Patent, Supplementary Letters Patent, Extra-provincial Licences, etc. During 1969, the Section produced 13,624 documents.

The duties of the Section involve the processing of Annual Returns and statutory notices filed by corporations carrying on business in Ontario. It enforces the filing of annual returns and institutes proceedings to cancel Letters Patent of delinquent corporations, and to cancel Extra-provincial Licences either upon application by the corporation or as a penalty for failure to file annual returns. During 1969 it processed 87,079 annual returns, 12,233 statutory notices, and cancelled 2,345 Letters Patent of Ontario corporations and cancelled 81 Extra-provincial Licences.

This Section is responsible for maintaining all records of the Branch, including corporation files. It provides public search facilities and certification of documents, and processes corporation security registrations. In 1969 it established 10,862 new corporation records, serviced 22,665 personal searches and 6,480 letter searches, issued 5,174 Certificates of Status and certified copies of documents, produced 2,235 copies of documents and registered 1,768 corporation securities.

*NOTE: The Credit Unions Act is administered by the Credit Unions Branch, in the Consumer Protection Division. The Companies Branch issues the charters for the various credit unions.

STATISTICS

January 1, 1969 to December 31, 1969

Corporation Names Analyzed	34,570
Letters Patent issued	10,862
Supplementary Letters Patent issued	1,617
Extra-provincial Licences issued	235
Licences in Mortmain issued	238
Certificates of Payment of Fee issued	66
Revivals of Letters Patent granted	61
Order Permitting Books out of Province issued	14
Surrenders of Letters Patent accepted	449
Letters Patent cancelled for failure to file returns	2,345
Letters Patent cancelled for cause	1
Extra-provincial Licences cancelled	81
Annual Returns (current and prior) filed	87,079
Statutory Notices filed	12,233
Corporation Securities registered	1,728
Certificates of Status and Certified Copies issued	5,174
Copies of documents produced	2,235
Letter Searches serviced	6,480
Personal Searches serviced	22,665

ADMINISTRATIVE SERVICES

Administrative Services activities form a major part of the Departmental Administration program. These activities consist of the Departmental personnel program, financial administration, a central purchasing and supply program, mail and messenger services, and a general office services support program, including a departmental library.

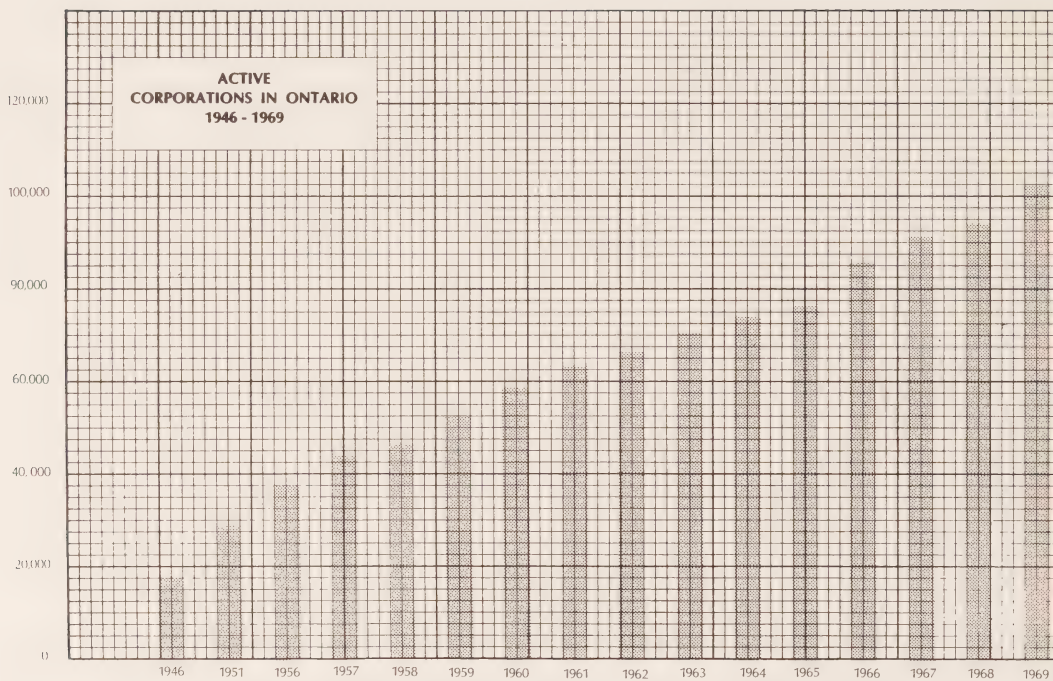
Highlights of the work performed by Administrative Services in the fiscal year ending March 31, 1969 were:

- acting as banker and general administrator to the Canada-wide study of Mutual Funds and Investment Contracts;
- administrative supervision of transfer of the Stuffed Articles and Cemeteries Administration sections from the Department of Health;
- providing a central departmental revenue collection and reporting program totalling approximately two and a quarter million dollars involving 72,452 transactions;
- processing for payment a total of three and a quarter millions expenditures involving 5,384 transactions;
- administrative planning of future relocation of the Department;
- installing a central departmental library;
- preparing a multi-year forecast of expenditures and revenues.

CENTRAL REGISTRY

Effective July 1, 1970, the registration functions related to the administration of the Real Estate and Business Brokers Act, Used Car Dealers Act, Mortgage Brokers Act, Collection Agencies Act and Consumer Protection Act will be centralized in one section to be supervised by a Manager assisted by a staff of twenty-three.

This section will be responsible for all processing involved in registrations, terminations, bonding, renewals and transfers of registrants as well as related statistics and record-keeping in accordance with the requirements of the legislation.



(The number of active corporations in Ontario doubles every ten years)

DEPARTMENT OF FINANCIAL AND COMMERCIAL AFFAIRS
COMPARATIVE REVENUE STATEMENT
FOR YEARS ENDING MARCH 31, 1968 AND MARCH 31, 1969

	March 31, 1968	March 31, 1969
Departmental Administration:		
Mutual Funds Study Costs		
Reimbursements		\$186,829.21
Miscellaneous refunds for goods services rendered	\$ 3,911.50	119.20
	\$ 3,911.50	\$ 186,948.41
Ontario Securities Commission:		
Brokers & Salesmens Licences	\$353,571.30	\$633,703.00
Filing Fees	74,596.50	97,654.50
Sale of Bulletins, Acts, etc.	17,327.50	27,952.99
	\$ 445,495.30	\$ 759,310.49
Superintendent of Insurance:		
Licences — various	\$522,501.00	\$533,839.00
Fees — various	45,978.25	54,199.25
Tax on Premiums — various	15,324.79	20,614.74
	\$ 583,804.04	\$ 608,652.99
Consumer Protection Division:		
Real Estate — Licences	\$186,997.00	\$244,764.00
Real Estate — Fees & Misc.	69,543.45	88,676.99
Used Cars — Licences	216,634.00	223,206.00
Bureau — Licences	16,856.00	20,855.00
Collection Agencies — Licenses ...	8,897.00	8,460.00
Mortgage Brokers — Licences	14,758.00	15,055.00
Mortgage Brokers Fees	742.00	1,425.00
Stuffed Articles — Licences		48,835.00
Bailiffs	140.00	140.00
Federal refund — Credit		
Counselling Cost	5,607.80	34,282.89
	\$ 521,294.53	\$ 685,699.88
	\$1,554,505.37	\$2,240,611.77

DEPARTMENT OF FINANCIAL AND COMMERCIAL AFFAIRS
COMPARATIVE EXPENDITURE STATEMENT
FOR YEARS ENDING MARCH 31, 1968 AND MARCH 31, 1969

	March 31, 1968	March 31, 1969
Departmental Administration:		
Salaries	\$ 202,461.49	\$ 295,348.96
Travelling expenses	10,047.59	14,912.03
Maintenance	167,944.58	130,835.73
Research Expenses	141,596.54	259,906.91
Conferences, Conventions, etc.	5,000.00	4,975.50
	\$ 527,050.20	\$ 705,979.13
 Ontario Securities Commission:		
Salaries	\$ 697,130.38	\$ 783,123.08
Travelling Expenses	14,289.24	11,454.21
Maintenance	125,989.42	95,996.07
	\$ 837,409.04	\$ 890,573.36
 Office of the Superintendent of Insurance:		
Salaries	\$ 316,918.02	\$ 397,926.34
Travelling Expenses	13,426.69	19,668.47
Maintenance	67,646.03	79,893.33
Grant to Association of Superintendents of Insurance of the Provinces of Canada	350.00	600.00
	\$ 398,340.74	\$ 498,088.14
 Consumer Protection Division:		
Salaries	\$ 704,861.34	\$ 946,759.29
Travelling Expenses	61,364.08	86,486.98
Maintenance	122,993.21	146,878.75
Grants	27,602.07	71,707.64
	\$ 916,820.70	\$1,251,832.66
 Statutory:		
Minister's Salary	\$ 12,000.00	\$ 12,000.00
	\$2,691,620.68	\$3,358,473.29

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GOVT PUBLS



The Department of Financial and Commercial Affairs

REPORT COVERING JANUARY 1, 1970 to DECEMBER 31, 1970




MINISTER OF FINANCIAL AND COMMERCIAL AFFAIRS

555 Yonge Street,
TORONTO 284, Ontario.

To His Honour the Lieutenant Governor in Council

May it please your Honour:

The undersigned has the privilege to present
to your Honour the Fourth Annual Report of
the Department of Financial and Commercial
Affairs.

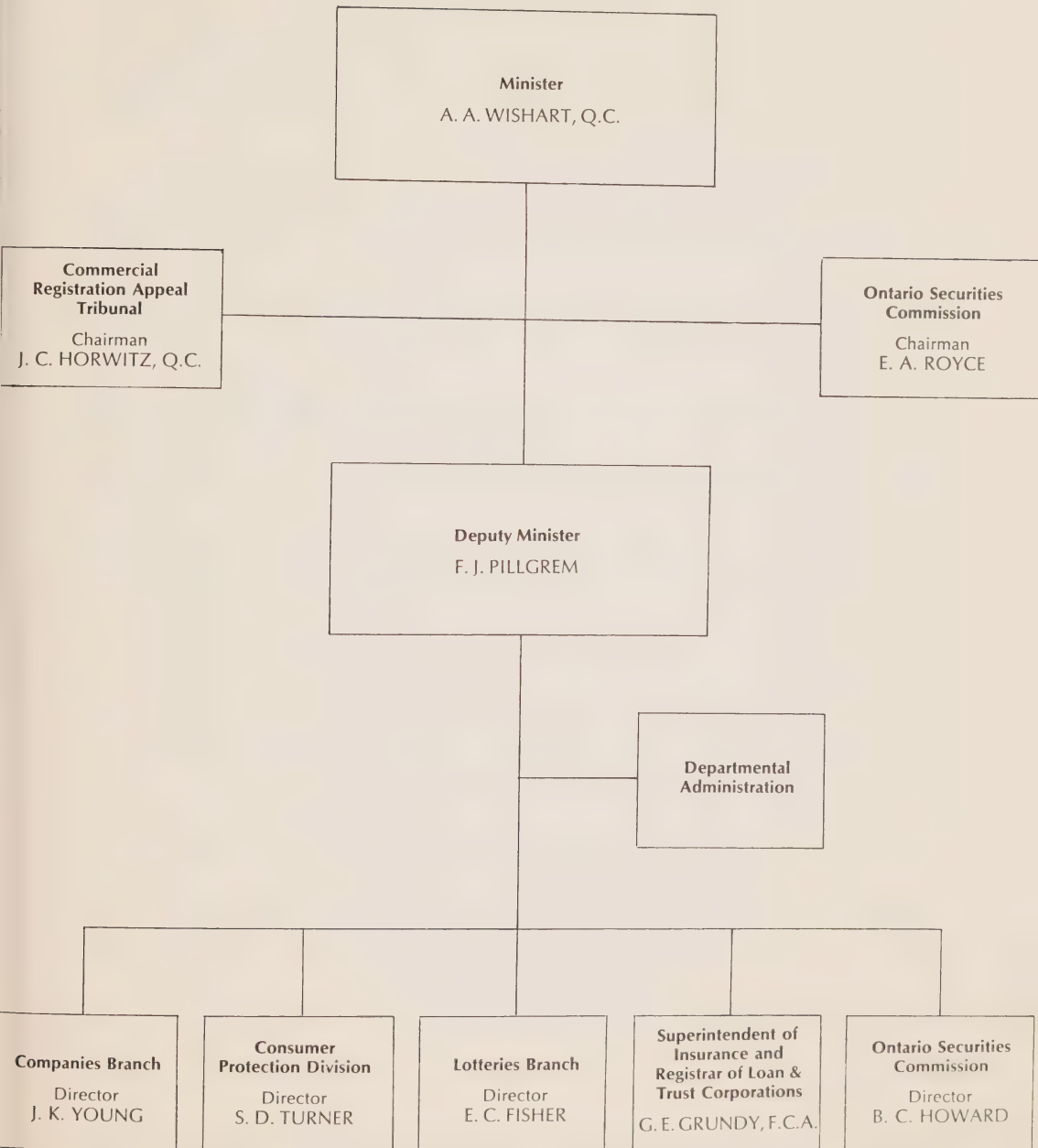


A. A. Wishart,
Minister.

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ORGANIZATION CHART



1970

. Legislative Program

An Act to Amend the Consumer Protection Act — defining the status of unsolicited goods and credit cards received in the mail by consumers.

Under these circumstances the consumer is not obliged to pay for the goods and is not obligated by the credit card unless he uses it or agrees to its terms in writing.

The Business Corporations Act — embracing revisions to the Corporations Act of Ontario, specifically those areas dealing with the incorporation, operation, management and dissolution of ordinary Ontario corporations having share capital.

An Act to Amend the Corporations Act — complementing the Business Corporations Act, with respect to those corporations which do not come within the definition of "business corporation".

An Act to Amend the Loans and Trust Corporations Act — prohibiting the registration or the transfer of shares in a loan or trust corporation to a non-resident where the total foreign ownership would exceed twenty-five percent of the capital stock, or where any foreign owner would be registered with more than ten percent of the capital stock.

An Act to Amend the Loan and Trust Corporations — giving Ontario loan and trust corporations powers similar to federally incorporated loan and trust corporations, up-dating financial reporting standards and providing for additional supervision and control of loan and trust corporations.

An Act to Amend the Investment Contracts Act — providing for a procedural change in the submission of quarterly reports.

These reports filed with the Superintendent of Insurance by investment contract issuers, can be certified by an officer appointed by the Superintendent. Previously, certification by the auditor of the issue was required. The auditor is still required to report on the annual statement.

An Act to Amend the Prepaid Hospital and Medical Services Act — dealing with the rates and requiring notice and approval of rate changes.

An Act to Amend the Insurance Act — providing for uniformity with federal legislation.

1970

..... Ministerial Committees

The Department launched in-depth studies in several areas crucial to the public interest. Public participation through submissions by individuals and organizations was a fundamental part of the committees' format.

The study areas included ...

FRANCHISING — An examination of all aspects of franchising and referral selling in Ontario.

INSURANCE CLAIMS SETTLEMENT — An examination of all methods and practices of handling insurance claims.

AUTOMOBILE INSURANCE — Probing ways to design an improved automobile insurance package for Ontario consumers.

Some reports have been received with respect to these matters. The studies are continuing and it is anticipated final reports will shortly be submitted to serve as the basis for policy and subsequent legislation.

1970

.....The Companies Branch

A SIGNIFICANT INITIATIVE

The Business Corporations Act, 1970 has been described as a shareholders' bill of rights, a code of ethics for the corporate director, and a strengthening of the position of the auditor.

It represents a major initiative that took shape in 1970 after an intensive study by the Ontario Legislature's Select Committee on Company Law and a long legislative process.

The Companies Branch plays a vital role in administering the legislation, and will assess its impact on Ontario's corporate life during the critical first phase of implementation.

The Act embodies revisions to those portions of the Corporations Act dealing with the incorporation, operation, management and conduct of ordinary corporations with share capital.

Among numerous other things, it gives the shareholder unprecedented legal recourse in the pursuit of his own rights, or those of the corporation, when he concludes the directors aren't doing the job.

It enunciates an acceptable standard of conduct for directors in tending to the business of the corporation, and to the interests of its shareholders.

It creates an audit committee that provides a new relationship between the auditor, the directors and the shareholders.

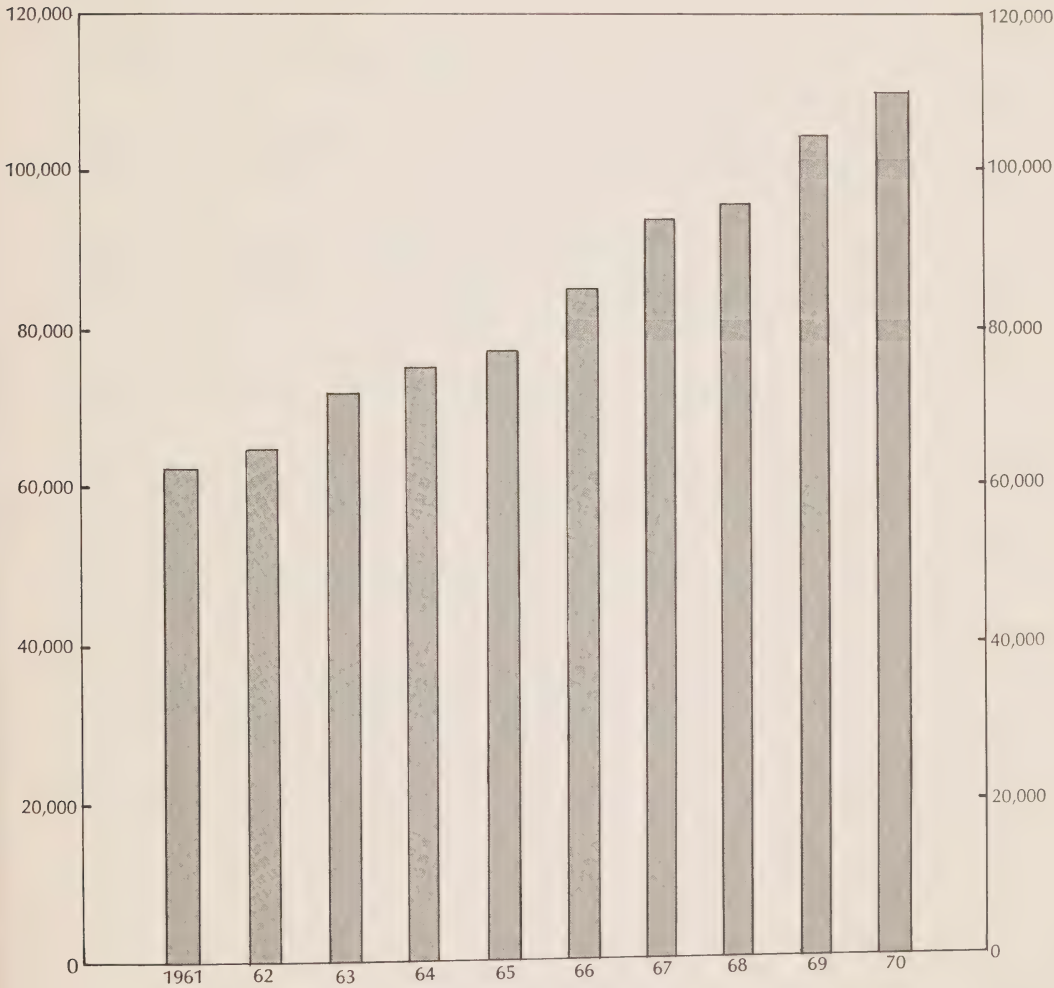
The Business Corporations Act 1970, is one of five major statutes administered by this Branch. The others include the Corporations Act; the Corporations Information Act; the Mortmain and Charitable Uses Act; and the Corporations Securities Registration Act.

In addition, the Companies Branch is responsible for the issuance of credit union charters under terms of the Credit Unions Act.

STATISTICAL HIGHLIGHTS

	1969	1970
Corporation names searched	34,570	25,735
Letters patent issued	10,862	7,744
Supplementary letters patent issued	1,617	1,633
Revivals of letters patent granted	61	43
Surrenders of letters patent accepted	449	610
Letters patent cancelled for failure to file returns	2,345	3,054
Extra-provincial licences issued	235	273
Extra-provincial licences cancelled	81	67
Licences in Mortmain issued	238	283
Order permitting Books out of Province issued	14	14
Annual returns (current and prior) filed	87,079	94,388
Statutory notices filed	12,233	11,381
Corporation securities registered	1,728	1,722
Letter searches serviced	6,480	7,383
Personal searches serviced	22,665	31,120

A decade of corporate growth in Ontario is shown in this graph of active corporations.



1970

. Consumer Protection Division

CONSUMERS' RIGHTS

The protection of consumers' rights and a clear enunciation of their responsibilities in the market place continued to be a fundamental objective of the 1970 consumer protection program.

The Consumer Protection Division assisted in spearheading the formulation of legislative and regulatory measures, and a broadened consumer information program that focussed on several areas of critical importance to consumers.

The Division dealt with matters including individual consumer problems, real estate transactions, the sale and purchase of used cars, the manufacture and purchase of upholstered and stuffed articles, the operation of credit unions, the management and development of cemetery sites and transactions involving collection agencies, mortgage brokers and bailiffs.

On the legislative side an amendment to the Consumer Protection Act dealt with unsolicited goods and credit cards received by consumers in the mail.

The amendment provided that the consumer has no obligation to buy or return goods received under such circumstances, and may consider them as 'gifts' from the sender.

Similarly, according to the amended law, there is no obligation imposed on the consumer by unsolicited credit cards received in the mail, unless the consumer actually uses the card or agrees in writing to its terms of credit.

Direct contact with consumers was accelerated in 1970. Public addresses to various groups and organizations, the use of information material offering advice on specific problems, and discussions with representatives of various consumer groups were a substantial part of this effort.

The fundamental thrust of the Division's program worked to illustrate the importance of an awareness by consumers of the need for a responsible attitude in the market place.

The precepts of this initiative formally acknowledged that the best protected consumer is the best informed consumer.

STATISTICAL HIGHLIGHTS

THE CONSUMER PROTECTION BUREAU

	<u>1969</u>	<u>1970</u>
Written complaints received	2,240	2,994
Concluded	2,197	2,740

Classification of Complaints Received:

Advertising	40	82
Apartment rental security	105	32
Appliances and furniture	220	276
Books and encyclopaedia	34	26
Clothing stores	65	89
Credit cards	—	5
Dance and health clubs	38	47
Education courses	45	38
Finance and lending agencies	138	163
Freezers and food plans	96	106
Hair pieces	—	8
Hearing aids	26	21
Home driveway paving	202	400
Home improvement and repairs	225	322
Housewares	62	69
Magazine subscriptions	250	511
Moving and storage	16	19
Photographers	23	32
Record clubs	22	39
Rugs, floor coverings and drapes	85	119
Rates and rebates	—	9
TV sales and service	72	108
Vacuum cleaners and sewing machines	83	102
Miscellaneous	393	371
TOTAL	<u>2,240</u>	<u>2,994</u>

1970 ...

The Ontario Securities Commission

CONTINUING DISCLOSURE

1970 saw substantial progress in development of the principle of continuing disclosure in the securities industry as an instrument of investor protection.

Activity in this critical area was generated in large measure by a special committee of the Ontario Securities Commission.

The committee considered, among other things, certain exemptions in new legislation governing company take-overs, allied mergers, amalgamations and consolidations. Its recommendations, known as the Merger Report, reappraised the system of disclosure in Ontario. Steps have been taken to implement the recommendations.

Detailed codes were provided in several areas through policy and regulation. These regulations encompassed audit requirements, minimum capital and computation of capital, minimum insurance and bonding for employees and standards of record-keeping. The regulations also detailed "know your client" rules for dealers, to ensure better service for the client and a proper appreciation of the risks for the dealer.

Through regulations a series of "contingency trust funds" were established as protection for the clients of dealers who are not protected by the contingency funds established by the Toronto Stock Exchange and the Investment Dealers' Association. These funds were designed to compensate clients who suffered loss through the default of member-dealers.

The principle of continuing disclosure is now viewed as fundamental to the efficient operation of the market place. The recommendations made in the Merger Study have been generally accepted by the interested public and the other Canadian provincial securities administrators.

The O.S.C. continues to play a prominent role in the deliberations of the provincial securities administrators, providing initiative in the expanding field of inter-provincial co-operation. Major breakthroughs in several areas were accomplished.

The O.S.C. continues to strive for uniformity in legislation, regulation and policy. It evolved and drafted a number of policies adopted on a national basis. It was an active partner in developing a system for the clearance of national prospectus filings through one jurisdiction. For the provinces from Ontario to the west it helped develop a series of "Uniform Act" policies against which their Acts are now administered by these provinces.

Close consultation continued between the Commission and the self-regulating Investment Dealers' Association, Toronto Stock Exchange and Broker-Dealers' Association of Ontario. The Investment Dealers Association, with the encouragement of the O.S.C., set up a pilot system of reporting trading in unlisted securities. This computerized system was designed to collect and publish highs and lows, and volumes of a selected list of securities available for publication on a daily basis.

In general the Commission remained aware of developments in many areas, including its role in the Business Corporations Act, 1970; the investor disclosure amendments in the Canada Corporations Act; questions of public participation and foreign ownership raised in the Moore Report; the impact of third market and fourth market trading in the Canadian marketplace; the increasing role of computerized trading facilities in the United States; and the establishment of the central depository of securities in Canada. Against this background the O.S.C. worked to develop legislation to implement the Canadian Committee Report on Mutual Funds and Investment Contracts as well as its own Merger Study. The Commission continued to develop policy and procedure to anticipate trends and the needs of investors without stifling the free flow of capital.

STATISTICAL HIGHLIGHTS

	<u>1969</u>	<u>1970</u>
REGISTRATIONS		
Brokers (Members T.S.E.)*	20	15
Broker-Dealers (B.D.A.)*	25	21
Investment Dealers (I.D.A.)*	33	28
Brokers and Investment Dealers	60	62
Brokers, Broker-Dealers and Investment Dealers	1	1
Brokers and Broker-Dealers	10	9
Securities Dealers	14	12
Mutual Funds Dealers	34	28
Broker and Security Dealers	4	7
Brokers, Investment Dealer and Securities Dealers	1	28
Scholarship Fund Dealers	2	2
Security Issuers	18	20
Underwriters	80	41
Investment Counsel and Securities Advisors	34	36
Exempt Purchasers	99	126
Salesmen	5,239	4,713

ACTIVITIES — DEPUTY DIRECTOR FILINGS

Prospectuses Accepted	423	319
Statements of Material Fact	75	14
Offerings to Shareholders	21	48
Amendments to above	171	142
Hearings under Section 61	97	71
Orders under Section 40(1)	5	4
Transfers within Escrow	506	535
Applications for release from Escrow	19	41
Value of Prospectuses — (\$'000)		
Mining and Oil Companies	\$ 74,934	\$ 58,185
Industrial Companies	930,246	1,744,000
Total	<u>\$1,005,180</u>	<u>\$1,802,185</u>
Value of Statements of Material Fact (\$'000)	\$ 3,015	\$ 1,411

*T.S.E. — Toronto Stock Exchange

*B.D.A. — Broker-Dealers' Association of Ontario

*I.D.A. — Investment Dealers Association of Canada

1970

THE SUPERINTENDENT OF INSURANCE AND REGISTRAR OF LOAN AND TRUST CORPORATIONS

BETTER COMMUNICATION

An improved buyer-seller relationship in the insurance field and in the operation of loan and trust corporations — was the primary objective of the Superintendent of Insurance in 1970.

Major legislative and regulatory changes were aimed at better communication between industry and the consumers.

Measures enacted in 1970 represent an important exercise in consumer protection.

The legislative highlights of the year, amendments to The Insurance Act and to The Loan and Trust Corporations Act, clearly embraced the principle of full and plain disclosure regarding unguaranteed investment by consumers with insurance and trust companies.

This principle requires the complete disclosure by industry of all facts and information vital or pertinent to the decisions of consumers to buy or to invest.

The Insurance Act and The Loan and Trust Corporations Act are two of seven statutes administered by the Superintendent.

The others include The Prepaid Hospital and Medical Services Act, The Investment Contracts Act, The Guarantee Companies Securities Act, The Ontario Deposit Insurance Corporations Act, and The Marine Insurance Act.

Amendments to The Insurance Act spell out, for the first time in Canada, what might constitute unfair business practices in the insurance industry.

The amendments authorize the Superintendent to maintain a close watch over the marketing practices of the industry. Special attention is paid to training and education and to the crucial questions of improper conduct through methods involving coercion, discrimination or misrepresentation.

Revisions also provide for greater uniformity with federal legislation and with laws in other provinces.

The rehabilitation of companies with impaired financial positions is an important provision of the Insurance Act amendments. This gives a new and positive dimension to the Superintendent's authority and permits the assumption of the control of companies and subsequent remedial action.

Changes in the Loan and Trust Corporations Act authorize the Superintendent, who also serves as Registrar of Loan and Trust Corporations, to assume control where the financial position of a loan or trust company has substantially deteriorated, and to adopt rehabilitative measures.

In general terms, the Loan and Trust Corporations Act amendments were designed to provide Ontario loan and trust companies with powers similar to those possessed by federally-incorporated companies; to revise and update the standards of auditing and financial reporting; and to provide additional supervisory controls over numerous areas, including borrowing, investments and agency powers.

While there were significant developments on the legislative front, important first-steps to other possible law changes were taken by committees appointed by the Minister.

The Minister's Committee on Insurance Claims Settlement was formed to investigate and report on all facets of insurance claims settlement, particularly factors relating to delays and frustrated settlements by policyholders as well as claimants.

A second ministerial committee was charged with the responsibility of examining automobile insurance in Ontario. The committee's fundamental objective is to report to the Minister on ways that will improve the total auto insurance package for Ontario consumers.

STATISTICAL HIGHLIGHTS

	1969	1970
NUMBER OF INSURANCE COMPANIES REGISTERED IN ONTARIO		
Ontario Incorporated	35	35
Federal Incorporated	379	376
Extra-Provincial	13	14
Mutual Benefit Societies	68	65
Farm Mutual Fire & Weather Companies	60	58
Total	555	548

OTHER REGISTRATIONS

Life Insurance Agents	14,289	13,999
Non-life Insurance Agents	8,930	8,502
Adjusters	1,008	1,009
	24,227	23,510

INVESTMENT CONTRACTS ACT

Registered Salesmen	427	406
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PREPAID HOSPITAL AND MEDICAL SERVICES ACT

Registered Associations	29	19
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TWO DECADES OF GROWTH IN THE INSURANCE INDUSTRY . . .

	<u>Life Insurance</u>		<u>Other-than-Life Insurance</u>			
	Net Premium	Gross	Net Premium Written			Total
	<u>Income</u>	<u>Value</u>	<u>Auto</u>	<u>Fire</u>	<u>Other</u>	
			\$ millions			
1950	196.8	7,564.2	44.1	48.1	48.0	140.2
1960	417.4	20,130.3	128.2	92.0	143.0	363.2
1965	576.4	31,217.0	225.1	104.2	226.0	555.3
1966	579.4	34,401.8	264.0	112.0	257.4	633.4
1967	603.4	37,843.6	299.4	123.2	286.8	709.4
1968	655.2	41,626.3	304.0	133.9	316.3	754.2
1969	664.2	46,440.0	339.9	145.9	338.0	823.8

NUMBER OF LOAN AND TRUST COMPANIES REGISTERED IN ONTARIO

	1969			1970		
	Trust	Loan	Total	Trust	Loan	Total
Ontario Incorporated	16	11	27	15	10	25
Federal Incorporated	7	8	15	7	8	15
Extra-Provincial	9	3	12	10	3	13
Foreign	3	—	3	3	—	3
Total	35	22	57	35	21	56

GROWTH OF THE LOAN AND TRUST INDUSTRY . . .

Year	Loan Corporations		Trust Companies		Total
	Deposits	Debentures	Deposits	Certificates	
	(\$ millions)		(\$ millions)		
1950	89.1	116.7	152.7	166.0	524.5
1960	141.0	355.7	416.6	687.1	1,600.4
1965	398.8	861.9	1,070.4	1,827.5	4,158.6
1966	439.6	985.4	1,112.1	2,130.8	4,667.9
1967	425.4	1,166.1	1,140.0	2,389.3	5,120.8
1968	461.0	1,216.1	1,251.7	2,776.3	5,705.1
	Demand Deposits and Debentures	Term Deposits and Debentures	Demand Deposits and Certificates	Term Deposits and Certificates	
	\$	\$	\$	\$	
1969*	617.2	1,324.0	1,273.4	3,429.5	6,644.1

* Since 1969 loan and trust corporations have been required to report both demand and term deposits, debentures and certificates. This gives a better indication of the liquidity requirements.

1970

..... Lotteries Branch

FIRST YEAR . . . AND AN ACTIVE ONE

The Lotteries Branch was created in 1970 to assume responsibility for licensing lotteries in Ontario.

Inception of the Branch followed amendments to the Criminal Code of Canada legalizing lotteries for religious or charitable purposes.

During the course of the year, more than 30,000 licensed events accounted for prize money exceeding \$22 million.

The Lotteries Branch instituted a close working relationship with Ontario municipalities in administering the provisions of the Code.

Procedures were enacted through which municipalities issued the licence where the prize money was \$3,500 or less. In cases where prizes were over \$3,500, the Province issued the licence.

A Provincial licence was also required for lotteries staged by agricultural societies, or for games of chance involving cash prizes at fall fairs or other places of amusement.

Municipal involvement was predicated upon the view of the Ontario Government that local officials can best judge whether a lottery application is valid, and if it is in the best interests of the local community.

In applications requiring provincial approval, the Lotteries Branch encouraged municipal advice and counsel.

An important phase of the responsibilities of the Lotteries Branch involved the examination of records compiled by lottery operators to ensure that moneys, raised for religious or charitable purposes, were used accordingly.

Such examinations took place on the strength of a public complaint, or when suspicious circumstances warranted.

During 1970, bingos accounted for 75 per cent of all lottery prizes. Raffles also grew in popularity.

STATISTICAL HIGHLIGHTS

LOTTERY LICENCES ISSUED

	By Municipalities	By Province	Total
Bingo Lotteries	22,680	759	23,439
Raffle Lotteries	6,618	137	6,755
Bazaar Lotteries	585	—	585
Total events licensed	29,883	896	30,779
Total value of prizes	\$18,678,000	\$3,399,000	\$22,077,000
Media Lotteries (Radio, T.V., Newspapers)			
Bingo			81
Fall Fairs and Exhibitions			149
Games of Chance			709

COMPARATIVE REVENUE STATEMENT

FOR YEARS ENDING MARCH 31, 1969 AND MARCH 31, 1970

Departmental Administration:	March 31, 1969	March 31, 1970
Mutual Funds Study Costs Reimbursements	\$ 186,829.21	\$ 104,327.14
Lotteries — Fees	—	1,526.98
Miscellaneous refunds for goods, services rendered	119.20	465.58
	<u>\$ 186,948.41</u>	<u>\$ 106,319.70</u>
 Ontario Securities Commission:		
Brokers' & Salesmen's Licences	\$ 633,703.00	\$ 565,941.38
Filing Fees	97,654.50	227,328.87
Sale of Bulletins, Acts, etc	27,952.99	36,285.95
	<u>\$ 759,310.49</u>	<u>\$ 829,556.20</u>
 Office of the Superintendent of Insurance:		
Licences	\$ 533,839.00	\$ 592,214.30
Fees	54,199.25	46,014.46
Tax on Premiums	20,614.74	18,808.73
	<u>\$ 608,652.99</u>	<u>\$ 657,037.49</u>
 Consumer Protection Division:		
Real Estate — Licences	\$ 244,764.00	\$ 232,494.19
Real Estate — Fees & Misc.	88,676.99	70,691.60
Used Cars — Licences	223,206.00	230,914.22
Bureau — Licences	20,855.00	37,555.99
Collection Agencies — Licences	8,460.00	8,217.50
Mortgage Brokers — Licences & Fees	16,480.00	17,447.60
Stuffed Articles — Licences	48,835.00	84,480.00
Bailiffs	140.00	120.25
Federal refund — Credit Counselling Cost	34,282.89	—
	<u>\$ 685,699.88</u>	<u>\$ 681,921.35</u>
 Business Incorporations:		
Letters Patent	\$ —	\$1,615,315.99
Supplementary Letters Patent	—	899,770.93
Licences	—	231,129.51
Searches & Certificates	—	101,379.83
Companies Annual Returns	—	859,890.40
	<u>\$ —</u>	<u>\$3,707,486.66</u>
	<u><u>\$2,240,611.77</u></u>	<u><u>\$5,982,321.40</u></u>

COMPARATIVE EXPENDITURE STATEMENT

FOR YEARS ENDING MARCH 31, 1969 AND MARCH 31, 1970

Departmental Administration:	March 31, 1969	March 31, 1970
Salaries	\$ 295,348.96	\$ 352,676.85
Travelling expenses	14,912.03	10,556.11
Maintenance	130,835.73	135,241.37
Research expenses	259,906.91	210,495.66
Conferences, conventions, etc.	4,975.50	1,940.78
	<u>\$ 705,979.13</u>	<u>\$ 710,910.77</u>
Ontario Securities Commission:		
Salaries	\$ 783,123.08	\$ 833,765.80
Travelling expenses	11,454.21	13,925.81
Maintenance	95,996.07	91,486.80
	<u>\$ 890,573.36</u>	<u>\$ 939,178.41</u>
Office of the Superintendent of Insurance:		
Salaries	\$ 397,926.34	\$ 475,108.04
Travelling expenses	19,668.47	19,110.33
Maintenance	79,893.33	64,094.96
Grant to Association of Superintendents of Insurance of the Provinces of Canada	600.00	600.00
	<u>\$ 498,088.14</u>	<u>\$ 558,913.33</u>
Consumer Protection Division:		
Salaries	\$ 946,759.29	\$1,087,822.96
Travelling expenses	86,486.98	86,997.10
Maintenance	146,878.75	156,091.65
Grants	71,707.64	60,128.29
	<u>\$1,251,832.66</u>	<u>\$1,391,040.00</u>
Companies Branch:		
Salaries	\$ —	\$ 681,439.69
Travelling expenses	—	276.44
Maintenance	—	69,920.88
	<u>\$ —</u>	<u>\$ 751,637.01</u>
Statutory:		
Minister's salary	\$ 12,000.00	\$ 15,000.00
	<u>\$3,358,473.29</u>	<u>\$4,366,679.52</u>

REGIONAL OFFICES

HAMILTON	143 Main Street East Telephone (811) 529-8177
KITCHENER	251 King Street West Telephone (815) 743-6723
LONDON	353 Richmond Street Telephone (813) 433-6197
NORTH BAY	269 Main Street West Telephone (833) 472-1820
OTTAWA	100 Gloucester Street Telephone (821) 237-5230
PETERBOROUGH	139 George Street Telephone (824) 743-6670
SAULT STE. MARIE	75 Elgin Street Telephone (832) 949-0332
THUNDER BAY	30 St. Paul Street Telephone (834) 345-1931
WINDSOR	660 Ouellette Avenue Telephone (814) 254-6413



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ONTARIO

The Department of Financial and Commercial Affairs

REPORT COVERING JANUARY 1, 1971 TO DECEMBER 31, 1971





MINISTER OF FINANCIAL AND COMMERCIAL AFFAIRS

March 31, 1972

The Honourable W. Ross MacDonald, P.C., C.D., Q.C., LL.D.,
Lieutenant Governor of Ontario,
Main Parliament Buildings,
Toronto 182, Ontario.

May It Please Your Honour:

I have the privilege of presenting to Your Honour, the Fifth Annual Report of the Department of Financial and Commercial Affairs, covering the period January 1, 1971 to December 31, 1971. This will be the final report of this Department, as it will become part of the expanded Ministry of Consumer and Commercial Relations.

May I pay tribute, in closing, to the staff of the Department and in particular, to those who have guided this Department since its inception to a point where it has become a recognized leader in the legislative field throughout Canada in the areas under its jurisdiction.

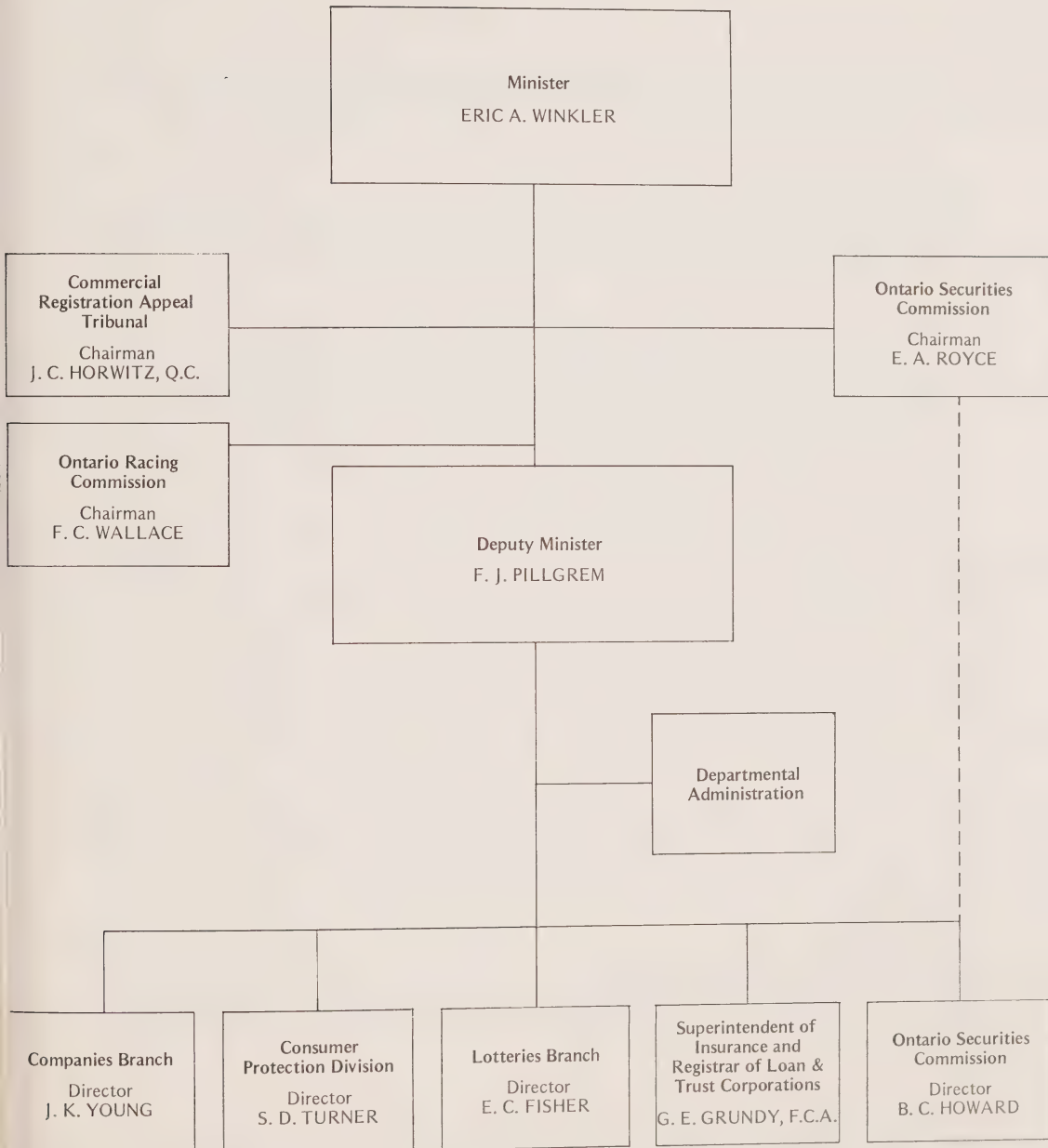
A handwritten signature in dark ink, appearing to read "Eric A. Winkler".

Eric A. Winkler.

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ORGANIZATION CHART



1971.....

..... Legislative Program

An Act to Amend the Used Car Dealers Act 1968-69—including new car dealers and salesmen within the provisions of the Act, and accordingly, the name of the Act is changed to The Motor Vehicle Dealers Act, 1968-69.

An Act to Amend the Consumer Protection Act—outlining the rights and obligations of assignors and assignees, and provides a definition of consumer sales. It also provides that implied conditions and warranties shall apply to goods sold by a consumer sale.

An Act to Amend the Corporations Act—deleting reference to mutual insurance corporations with or without guarantee capital stock—permits mutual insurance corporations to be formed by residents of a country or district—provides procedures for the incorporation of cash-mutual corporations. The amendment, as well, deals with the voting rights of members and with the qualifications of directors.

An Act to Amend the Securities Act—providing amendments necessary to bring The Securities Act into conformity with The Business Corporations Act, as well as dealing with the problems of timely and more complete disclosure in relation to takeover bids—to provide for more meaningful disclosure of additional financial information to investors.

An Act to Amend the Business Corporations Act—updating and improving the current legislation as a consequence of experience gained with the recent Act.

The Corporations Information Act—a revision of The Corporations Information Act, requiring the registration of business names, simplifying the information required in returns, and improving the enforcement provisions. The Act will now require the filing of annual returns which would be effective on the anniversary date of the incorporation of the company or an amalgamation.

An Act to Provide for the Registration of Businesses Engaged in the Distribution of Paperback and Periodical Publication—setting requirements for Canadian ownership of the distributorships and regulating the enterprises engaged in the wholesaling and distribution of paperbacks and periodicals.

An Act to Amend the Insurance Act—providing for accident benefits payable on a no-fault basis to be mandatory in all automobile liability insurance policies.

1971.....

..... Companies Branch

On June 17, 1971 the Royal Assent was given to Bill 48, An Act to Amend The Corporations Act and to Bill 52, An Act to Amend The Business Corporations Act.

The amendments contained in Bill 48 dealt mainly with mutual and cash mutual insurance corporations.

Bill 52 effected changes in a variety of aspects. A number of these changes were brought about as a result of representations made by the public and others as a result of experience gained by the Companies Branch in administering The Business Corporations Act. It is the intention of the Branch to work continuously on amendments to the Act so that it is kept abreast with the changing needs of the business community of Ontario.

On October 1, 1971, The Corporations Information Act, 1971 (except section 2) came into force. The major changes brought about by this Act were the reduction of the amount of information required in the annual return and the change in the filing date from March 31 to the anniversary date of incorporation or amalgamation of a corporation. Section 2 of the Act which came into force on January 1, 1972, provides that all corporations who identify themselves to the public in Ontario or carry on business in Ontario under a name or style other than their corporate name, must register such name with the Department. This is an entirely new departure in Ontario and is based on the recommendations of the Select Committee on Company Law. The purpose of this requirement is to enable the public to identify the true ownership of a business that may be carried on by a corporation under an assumed name.

STATISTICAL HIGHLIGHTS

	<u>1970</u>	<u>1971</u>
Corporation names searched	25,735	30,606
Corporations incorporated	7,744	9,442
Amendments to incorporating documents issued	1,633	2,035
Revivals of corporations granted	43	55
Voluntary dissolutions accepted	610	754
Corporations dissolved for failure to file returns	3,054	337
Extra-provincial licences issued	273	258
Extra-provincial licences cancelled	67	81
Licences in Mortmain issued	283	210
Annual returns (current and prior) filed	94,388	98,636
Statutory notices filed	11,381	14,552
Corporation securities registered	1,722	2,189
Letter searches serviced	7,383	10,880
Personal searches serviced	31,120	35,493
Copies of documents provided		5,589
Certificates of status issued		4,491

1971.....

.....Consumer Protection Division

The Division has continued its active role in dealing with consumer problems. The accompanying statistics reveal a substantially increased total number of complaints processed and the enquiries handled in the many areas of responsibility administered within the Division.

The major amendments to consumer legislation are twofold:

- (1) An amendment to the Consumer Protection Act assures consumers that the assignee (often a finance company) of a time payment contract has the same duties, obligations and liabilities as the seller.
- (2) A further amendment to this Act provides that the implied warranties of a contract to purchase goods or services cannot be excluded.

Again in 1971, numerous addresses were given to a variety of consumer groups in order to inform these persons of their rights under the Ontario Legislation and to emphasize a need for each consumer, in his or her dealings with sellers, to be the best protector of the number one consumer—himself or herself, i.e. ask questions, sign nothing you do not understand, deal only with reputable sellers. It is to be noted that addresses were given to consumers on the average of one every three days.

An intensive study has been prepared with regard to real estate educational requirements before a person may become a real estate salesman or a real estate broker. A study has been carried out jointly by industry and government with the end view of upgrading the real estate education of those engaged in this important industry.

A number of additional projects are being studied to further improve the atmosphere in the market place for both the consumer and the businessman.

STATISTICAL HIGHLIGHTS

THE CONSUMER PROTECTION BUREAU

	1970	1971
Written complaints received	2,994	4,279
Concluded	2,740	4,123

Classification of Complaints Received:

Advertising	82	99
Apartment rental security	32	12
Appliances and furniture	276	379
Books and encyclopaedia	26	78
Business transactions	—	81
Clothing stores	89	137
Credit cards	5	6
Dance and health clubs	47	119
Education courses	38	88
Finance and lending agencies	163	165
Freezers and food plans	106	94
Hair pieces	8	8
Hearing aids	21	20
Home driveway paving	400	453
Home improvement and repairs	322	386
House trailers and camping equipment	—	24
Housewares	69	90
Magazine subscriptions	511	556
Marine craft	—	11
Moving and storage	19	20
Photographers	32	132
Record clubs	39	81
Rugs, floor coverings and drapes	119	173
Rates and rebates	9	16
Swimming pools	—	19
TV sales and service	108	207
Vacuum cleaners and sewing machines	102	58
Miscellaneous	371	767
TOTAL	<u>2,994</u>	<u>4,279</u>

REAL ESTATE AND BUSINESS BROKERS SECTION

	<u>1970</u>	<u>1971</u>
Registrations		
Brokers	4,478	5,396
Salesmen	12,760	12,953
Examinations		
Brokers	572	610
Salesmen	4,078	5,090
Inspection	2,490	2,287
Complaints Received	2,661	3,370
Foreign Subdivisions		
—New prospectuses received	27	27
—Certificates in force	47	66

USED CAR DEALERS SECTION

Registrations		
Dealers	3,739	3,994
Salesmen	11,534	11,978
Complaints		
Received and investigated	2,081	2,418
Bonds forfeited		
Dealers	14	9
Salesmen	22	12
Prosecutions		
Dealers	11	18
Salesmen	1	13

UPHOLSTERED AND STUFFED ARTICLES BRANCH

Registrations		
Ontario: Manufacturers	469	498
Renovators	705	743
Other provinces (Manufacturers)	403	445
Other countries (Manufacturers)	453	553
Inspections		
Manufacturers	862	979
Upholsterers and renovators	977	1,051
Suppliers	92	89
Importers, wholesalers and distributors	234	205
Retailers	4,075	3,410
Total	<u>6,240</u>	<u>5,734</u>
Number of articles inspected	32,455	27,397
Number of articles rejected	3,537	2,042

**BAILIFFS, COLLECTION AGENCIES AND
MORTGAGE BROKERS SECTION**

	<u>1970</u>	<u>1971</u>
Bailiffs		
Registrations	104	104
Inspections	22	13
Complaints received	110	45
Collection Agencies		
Registrations—Agencies	115	114
—Branches	60	36
—Collectors	<u>637</u>	<u>718</u>
Total	<u>812</u>	<u>868</u>
Inspections	110	43
Complaints received	396	448
Mortgage Brokers		
Registration	977	880
Inspections	17	22
Complaints received	85	80
CEMETERIES BRANCH		
Inspections	458	815
Interviews	961	1,559
Consultations	174	299
Attendance at cemetery board meetings and municipal council meetings	136	168
CREDIT UNIONS SECTION		
Registrations		
Affiliated		
with Ontario Credit Union League	1,376	1,302
with La Federation des Caisses Populaires	68	70
with Regionale de Nipissing et Sudbury	16	13
Non-affiliated	<u>26</u>	<u>33</u>
Total active	<u>1,486</u>	<u>1,418</u>
In the process of dissolution	531	43
Credit unions dissolved	82	94
Number of active leagues	4	3
Total assets of all Ontario Credit Unions	1,059,000,000	

1971.....

.....Ontario Securities Commission

The expertise and experience of the Commission was further broadened with the appointment of the two additional members authorized through the 1971 amendments to The Securities Act. These were Thomas A. M. Hutchison, F.C.A., an accountant with broad experience including membership on the Attorney General's Committee on Securities Legislation in Ontario (the "Kimber Committee"), and Professor Stanley M. David Beck of Osgoode Hall Law School, York University, whose particular interests have included corporate and securities law.

The computerized unlisted trading reporting system set up by the Ontario District, Investment Dealers' Association of Canada, was expanded at the request of the Commission to include mining and oil stocks. This system publishes, on a daily basis, the high and low prices of all unlisted securities traded and their volumes providing the issuer is a reporting company and is making continuous disclosure concerning its affairs as required by Ontario legislation. A market surveillance program has been instituted on the basis of this information. This, when coupled with the Commission's timely disclosure policy and the use of the power to stop trading on a temporary basis where the market is responding to false or inadequate information concerning the issuer's affairs, has been well received.

In the field of inter-provincial co-operation the Commission took a leading role in developing some twenty-six "National" policies, twelve "Uniform" (Ontario-type) Act policies, as well as some twenty-four Ontario or local policies for the guidance of those dealing with the provincial administrators. The National policies have been adopted by all of the provinces except Newfoundland and Nova Scotia, the Uniform Act by all the provinces Ontario and west, while the Ontario policies provide for matters on which there are regional differences, including procedural matters.

The most significant of the National policies, and numbered "one" establishes a procedure through which a national distribution of securities may be cleared by dealing through only one province, styled the "principal jurisdiction". At the same time the system is designed so that no province relinquishes in any measure the right and obligation to exercise the discretion granted to it by its own Legislature.

On July 13th, 1971, the Honourable William G. Davis, our Premier, advised the Legislative Assembly of restrictions being imposed on the entry into the Ontario investment community of non-Canadian residents. The Commission were requested to study and to make recommendations on two broad issues: firstly, whether Ontario registrants should be permitted to raise additional capital from the public; and, secondly, what additional restrictions, if any should be placed on non-Canadian resident ownership and capital of Ontario securities firms. The O.S.C. Committee consisted of E. A. Royce, Chairman, H. S. Bray, Q. C., Vice-Chairman and Study Director, and Commissioner James G. K. Strathy. Its report is in the course of preparation.

All of the recommendations made in the O.S.C.'s Merger Study, excepting the "cornerstone" or "evergreen" prospectus concept have been implemented through the 1971 amendments to The Securities Act. These included clarification and expansion of certain exemptions, a modification in the definition of what is now called "distribution to the public", some amendments to the takeover provisions, and the repeal of the former section 59 of the Act and the granting of a broader discretion in the Commission to relieve, subject to conditions, from the prospectus or registration requirements where the public interest will not be affected.

The Commission continues to give a detailed summary of its activities on a weekly basis. Decisions and announcements are reported together with the summary of insider trading reports in the Monthly Bulletin.

The kinds and numbers of the activities of the Commission and its officials are detailed in the summary schedules attached. The highlights are as follows:

From April 1st to December 1st, 1971, the Deputy Director, Filings and his staff received 132 prospectuses designated as "national" issues. In 66 of these Ontario was designated as the "principal jurisdiction". The numbers of filings were actually down in 1971, 599 as opposed to 622, but the dollar value increased from \$1,803,478,000 in 1970 to \$1,813,388,000 in 1971 on those issues where the underwritings were firm. The continuing offers such as finance companies and mutual funds are not included in these totals. In addition, for the first time the total value of now recorded private placements and exempt purchases are available, which adds an additional \$459,396,000 to the total above for 1971.

Despite the drop in numbers of securities salesmen in the industry generally the Deputy Director, Registrations reports an increase from 4,713 to 4,756 salesmen. One new mutual fund dealer however registered approximately 500 new salesmen. Transfers of salesmen decreased by one-third. The numbers of applications for exempt purchasers and underwriters continued to decline while the numbers of investment counsel increase.

The Deputy Director, Administration and his insider trading and financial disclosure staffs found their volume of work increasing. These include some 3,765 financial statements plus a further 1,379 financial reports, 1,572 informational circulars, 2,092 pieces of corporate literature plus 69 take-over bid circulars. There were some 14,719 insider trading reports received, a decline from the 15,770 received the previous year. (Note: There was a dramatic increase in numbers however in January and February 1972.)

In addition to its previous duties, on May 14th, 1971, the Legal and Investigation Branch, through its legal staff undertook the preparation and presentation of all applications before the Commission and the Director under The Securities Act and The Business Corporations Act. There were 274 of these to the end of the year. The investigation case load remained reasonably constant. However as mentioned earlier, they have undertaken, with some success, an over-the-counter market surveillance program.

STATISTICAL HIGHLIGHTS

REGISTRATIONS	1970	1971
Brokers Members (T.S.E.)*	15	13
Broker-Dealers (B.D.A.)*	21	20
Investment Dealers (I.D.A.)	28	24
Brokers and Investment Dealers	62	62
Brokers, Broker-Dealers and Investment Dealers	1	—
Brokers and Broker Dealers	9	9
Securities Dealers	12	12
Mutual Funds Dealers	28	33
Broker and Security Dealers	7	5
Brokers, Investment Dealers and Securities Dealers	1	1
Scholarship Fund Dealers	2	1
Security Issuers	20	24
Underwriters	41	33
Investment Counsel and Securities Advisors	36	38
Exempt Purchasers	40	40
Salesmen	4,713	4,756

*T.S.E.—Toronto Stock Exchange

*B.D.A.—Broker-Dealers' Association of Ontario

I.D.A.—Investment Dealers Association of Canada

STATISTICAL HIGHLIGHTS

ACTIVITIES—DEPUTY DIRECTOR FILINGS	<u>1970</u>	<u>1971</u>
Prospectuses Accepted	319	536
Statements of Material Fact	14	20
Offerings to Shareholders	48	40
Amendments to above	142	125
Hearings under Section 61	71	90
Orders under Section 40(1) and 61(2)	4	5
Applications for transfer within Escrow (1971—23 refusals)	535	224
Applications for release from Escrow (1971—44 refusals)	41	100
Value of Prospectuses—(\$'000)		
Mining and Oil Companies	\$ 58,185	\$ 140,088
Industrial Companies and Finance Companies	\$1,744,000	\$1,669,533
Total	<u>\$1,803,359</u>	<u>\$1,810,761</u>
Value of Statements of Material Fact (\$'000)	\$ 1,411	\$ 3,767
Value of Private Placements (\$'000)		\$ 459,396
INVESTIGATIONS		
Informal	311	195
Formal	23	4
Charges under The Securities Act	2	2
Appeals under The Securities Act	1	—
Charges under the Criminal Code	4	—
Commission Hearings	25	61
Commissioner's Hearings	9	—
Director's Hearings	11	28
Civil Proceedings	11	42
REFERRALS TO:		
Toronto Stock Exchange	51	36
Canadian Mutual Fund Association	8	27
Broker Dealers Association	18	5
Investment Dealers Association	8	4
REPORTS RECEIVED		
Insider Trading	15,770	14,719
Financial Reports—Mining Companies	1,500	1,721
—Industrials—Mutual Funds	1,692	1,785
—Finance Companies	251	259
TAKEOVER CIRCULARS FILED	44	69
Proxy Solicitations and Information Circulars	1,591	1,572
Exempt Purchasers and Private Places	242	452
Resale of Securities—Form 8A	—	44

1971

THE SUPERINTENDANT OF INSURANCE AND REGISTRAR OF LOAN AND TRUST CORPORATIONS

The primary objective of the Superintendent of Insurance and Registrar of Loan and Trust Corporations in 1971 continued to be the surveillance of the financial status and developments in practices and marketing activities of the companies subject to his supervision so that both registrants and consumers could operate with confidence and freedom of choice.

Legislative and regulatory changes reflect this objective.

Bill 81, which received Royal Assent on 28th July, 1971, introduced a mandatory no-fault automobile insurance programme for Ontario, effective January 1, 1972, to provide prompt basic indemnity for economic loss due to bodily injury or death resulting from motor vehicle accidents.

Ontario Regulation 526/71, which was made on 15th December, 1971, set out the information which life insurance companies must provide to the prospective purchaser of a variable insurance contract.

Ontario Regulation 38/72 was made on 26th January, 1972, and defines the contents of financial statements that are required to be presented to shareholders of loan and trust corporations.

The Minister's Committee on Automobile Insurance, having made its recommendations that resulted in the mandatory Accident Benefits legislation set out in Bill 81, are continuing their study in an attempt to improve the automobile property damage insurance programme in Ontario.

STATISTICAL HIGHLIGHTS

	<u>1970</u>	<u>1971</u>
NUMBER OF INSURANCE COMPANIES REGISTERED IN ONTARIO		
Ontario Incorporated	35	31
Federal Incorporated	376	386
Extra-Provincial	14	13
Mutual Benefit Societies	65	61
Farm Mutual Fire & Weather Companies	58	58
Total	<u>548</u>	<u>549</u>

OTHER REGISTRATIONS

Life Insurance Agents	13,999	14,685
Non-life Insurance Agents	8,502	8,653
Adjusters	1,009	1,011
Total	<u>23,510</u>	<u>24,349</u>

INVESTMENT CONTRACTS ACT

Registered Salesmen	406	376
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PREPAID HOSPITAL AND MEDICAL SERVICES ACT

Registered Associations	19	9
Designated Associations	—	9

TWO DECADES OF GROWTH IN THE INSURANCE INDUSTRY

	Life Insurance		Other-than-Life Insurance			
	Net Premium	Gross	Net Premium Written			Total
	<u>Income</u>	<u>Value</u>	<u>Auto</u>	<u>Fire</u>	<u>Other</u>	
	\$ millions					
1950	196.8	7,564.2	44.1	48.1	48.0	140.2
1960	417.4	20,130.3	128.2	92.0	143.0	363.2
1965	576.4	31,217.0	225.1	104.2	226.0	555.3
1966	579.4	34,401.8	264.0	112.0	257.4	633.4
1967	603.4	37,843.6	299.4	123.2	286.8	709.4
1968	655.2	41,626.3	304.0	133.9	316.3	754.2
1969	664.2	46,440.0	339.9	145.9	338.0	823.8
1970	783.1	50,034.6	377.9	157.6	302.7*	838.2

*The reduction is accounted for by the decrease in accident and sickness insurance written by private carriers with the introduction of OHSIP.

NUMBER OF LOAN AND TRUST COMPANIES REGISTERED IN ONTARIO

	1970			1971		
	<u>Trust</u>	<u>Loan</u>	<u>Total</u>	<u>Trust</u>	<u>Loan</u>	<u>Total</u>
Ontario Incorporated	15	10	25	12	10	22
Federal Incorporated	7	8	15	8	9	17
Extra-provincial	10	3	13	9	4	13
Foreign	3	—	3	2	—	2
Total	35	21	56	31	23	54

GROWTH OF THE LOAN AND TRUST INDUSTRY

<u>Year</u>	<u>Loan Corporations</u>		<u>Trust Companies</u>		
	<u>Deposit</u>	<u>Debentures</u>	<u>Deposits</u>	<u>Certificates</u>	<u>Total</u>
	(\$ millions)		(\$ millions)		
1950	89.1	116.7	152.7	166.0	524.5
1960	141.0	355.7	416.6	687.1	1,600.4
1965	398.8	861.9	1,070.4	1,827.5	4,158.6
1966	439.6	985.4	1,112.1	2,130.8	4,667.9
1967	425.4	1,166.1	1,140.0	2,389.3	5,120.8
1968	461.0	1,216.1	1,251.7	2,776.3	5,705.1
	Demand Deposits and Debentures	Term Deposits and Debentures	Demand Deposits and Certificates	Term Deposits and Certificates	Total
	\$	\$	\$	\$	\$
1969*	508.5	1,432.7	1,273.4	3,429.5	6,644.1
1970	522.5	1,723.8	1,352.4	3,991.7	7,590.4

* Since 1969 loan and trust corporations have been required to report both demand and term deposits, debentures and certificates. This gives a better indication of the liquidity requirements.

Essentially the Provincial role in the area of Lotteries, is one of issuing licences to groups or organizations wanting to stage a lottery for charitable or religious purposes. Because the people at the local level, specifically the Municipal Officials and the Police, are best qualified to judge the application of any local group or organization and assess its merits in light of local circumstances, municipalities have been authorized to issue licences where the total prize money involved is \$3,500.00 or less. Where the prize structure exceeds that amount, a Provincial Licence is required. A Provincial Licence is also required for lotteries staged by Agricultural Societies, or for games of chance involving cash prizes at Fall Fairs or public places of amusement.

Subsequent to the completion of each lottery (bingo, raffle, or other games of chance) the organization must submit a detailed report outlining the total value of prizes actually awarded, the administrative costs incurred, and the factual amount of the proceeds earmarked to charity. The application form provides sufficient details to classify a group as a bona fide charitable organization, a service club or some other community spirited section of our society who have as their sole objective, the raising of monies for the good of the community and its citizens. However, it is the 30-day report that identifies the true purpose and productiveness of any lottery scheme. This detailed report, in actual fact, serves as the key critical control factor for watching any potential intrusion by organized crime or the taking over of an operation by the wrong element.

During the current year, the Ontario Cabinet approved certain additional lottery licencing guidelines designed to prevent the proliferation of provincially licenced, province-wide, sweepstake-type operations. The new administrative provisions limit the number of large raffles operating at a given time; set a ceiling on the value of prizes awarded and the administrative costs which can be incurred; and insure a proper balance between the prizes offered and the total number and value of tickets sold. The new guidelines affect only the raffle lotteries where the prizes are in excess of \$10,000.00.

During the current calendar year, more than 58,000 licenced events accounted for prize money in excess of \$41,000,000.00.

STATISTICAL HIGHLIGHTS

LOTTERY LICENCES ISSUED

	<u>1970</u>	<u>1971</u>
Bingo Lotteries—by Municipalities	22,680	43,388
—by Province	759	1,843
Total	<u>23,439</u>	<u>45,231</u>
Raffle Lotteries—by Municipalities	6,618	11,986
—by Province	137	356
Total	<u>6,755</u>	<u>12,342</u>
Bazaar Lotteries—by Municipality	585	949
—by Province	—	18
Total	<u>585</u>	<u>967</u>
Total value of prizes	\$22,077,000	\$41,968,472

MEDIA LOTTERIES (RADIO, TV, NEWSPAPER)

Bingo	81	317
Fall Fair and Exhibitions	149	107
Games of Chance	709	865

Comparative Statements

COMPARATIVE REVENUE STATEMENT

FOR YEARS ENDING MARCH 31, 1970 AND MARCH 31, 1971

	March 31, 1970	March 31, 1971
Departmental Administration:		
Mutual Funds Study Costs Reimbursement	\$ 104,327.14	\$ 20,989.00
Lotteries—Fees	1,526.98	92,997.00
Miscellaneous Refunds for Goods, Services Rendered . . .	465.58	1,753.87
	<u>\$ 106,319.70</u>	<u>\$ 115,739.87</u>
Ontario Securities Commission:		
Brokers and Salesmens Licences	\$ 565,941.38	\$ 551,086.22
Filing Fees	227,328.87	257,338.78
Sale of Bulletins, Acts, etc.	36,285.95	26,344.76
	<u>\$ 829,556.20</u>	<u>\$ 834,769.76</u>
Office of the Superintendent of Insurance:		
Licences	\$ 592,214.30	\$ 683,009.00
Fees	46,014.46	50,293.50
Tax on Premiums	18,808.73	16,685.00
	<u>\$ 657,037.49</u>	<u>\$ 749,987.50</u>
Consumer Protection Division:		
Real Estate—Licences	\$ 232,494.19	\$ 249,860.00
Real Estate—Fees and Misc.	70,691.60	100,333.00
Used Cars—Licences	230,914.22	222,441.00
Bureau—Licences	37,555.99	43,126.00
Collection Agencies—Licences	8,217.50	9,078.00
Mortgage Brokers—Licences and Fees	17,447.60	19,647.00
Stuffed Articles—Licences	84,480.00	88,758.00
Bailiffs	120.25	100.00
Federal Refund—Credit Counselling Cost	—	—
	<u>\$ 681,921.35</u>	<u>\$ 733,343.00</u>
Business Incorporations:		
Letters Patent	\$1,615,315.99	\$1,170,253.00
Supplementary Letters Patent	899,770.93	454,897.00
Licences	231,129.51	185,716.00
Searches and Certificates	101,379.83	134,824.00
Companies Annual Returns	859,890.40	912,986.00
	<u>\$3,707,486.66</u>	<u>\$2,858,676.00</u>
	<u><u>\$5,982,321.40</u></u>	<u><u>\$5,292,516.13</u></u>

COMPARATIVE EXPENDITURE STATEMENT

FOR YEARS ENDING MARCH 31, 1970 AND MARCH 31, 1971*

	March 31, 1970	March 31, 1971
Departmental Administration:		
Salaries	\$ 352,676.85	\$ 541,093.23
Travelling Expenses	10,556.11	21,980.13
Maintenance	135,241.37	281,434.35
Conferences and Conventions	1,940.78	4,037.45
Research Expenses	210,495.66	110,814.60
Special Investigations	—	9,385.40
	<u>\$ 710,910.77</u>	<u>\$ 968,745.16</u>
Ontario Securities Commission:		
Salaries	\$ 833,765.80	\$ 951,313.02
Travelling Expenses	13,925.81	19,368.30
Maintenance	91,486.80	107,471.06
	<u>\$ 939,178.41</u>	<u>\$ 1,078,152.38</u>
Superintendent of Insurance and Registrar of Loan and Trust Corp.:		
Salaries	\$ 475,108.04	\$ 553,720.39
Travelling Expenses	19,110.33	21,172.09
Maintenance	64,094.96	73,693.79
Grant of Assoc. of Superintendent of Insurance of the Provinces of Canada	600.00	600.00
	<u>\$ 498,088.14</u>	<u>\$ 649,186.27</u>
Consumer Protection Division:		
Salaries	\$ 1,087,822.96	\$ 1,272,076.99
Travelling Expenses	86,997.10	108,048.20
Maintenance	156,091.65	151,048.76
Grants to Credit Counselling Services	60,128.29	73,555.65
	<u>\$ 1,391,040.00</u>	<u>\$ 1,604,729.60</u>
Business Incorporations:		
Salaries	\$ 681,439.69	\$ 797,135.02
Travelling Expenses	276.44	2,220.21
Maintenance	69,920.88	100,810.37
	<u>\$ 751,637.01</u>	<u>\$ 900,165.60</u>
Statutory:		
Minister's Salary	15,000.00	15,000.00
	<u>\$ 4,366,679.52</u>	<u>\$ 5,215,979.01</u>

*Excluding Ontario Racing Commission which joined Financial and Commercial Affairs on June 2, 1971.



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